



WASHINGTON STATE DEPARTMENT OF
Natural Resources

4.2
DOUG SUTHERLAND
Commissioner of Public Lands

Grechen F. Schmidt
Investigation and Engineering Unit, USEPA
Office of Environmental Assessment,
1200-6th Ave., OEA-095
Seattle, WA 98101

March 31, 2003

Dear Grechen,

Subject: Report on certain aspects of the Van Stone Mine, Stevens Co., WA
From: Washington Department of Natural Resources, Division of Geology and Earth Resources (DGER).

The enclosed report contains information pertinent to the statement of work on this property including:

1. Secretary of State records, chronology, officers and addresses of previous owners.
2. Site and land status maps.
3. Clippings and annual reports archived in DGER mine files.
4. DGER field data. (Water and soil analyses, hazardous materials inventory).
5. Digital on-site photos October 2002, and aerial photos 1972, 1990 and 2000.

We will forward additional data of interest to EPA on this property if something should arise in the future that we are presently unaware of. Please direct any questions to the undersigned. 48 hours preparation time this report.

Fritz E. Wolff

Inactive and Abandoned Mine Lands Program
Division of Geology and Earth Resources

David K. Norman
Assistant State Geologist
Division of Geology and Earth Resources

USEPA SF



1249767

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Data on the Van Stone Mine and Mill, Stevens Co., WA.

Summary

The Van Stone Mine (VSM) is a low-grade, open pit and underground lead-zinc mine with minor values in gold, silver and copper. The average tenor of milled-ore was 4.2% Zn and 0.2% Pb. After 1950 the primary owners of the VSM were American Smelting and Refining Co., Inc. (ASR), Callahan Mining Co., Inc. (CM), and Equinox Resources (Wash.), Ltd. (ER). See Section 1.

Total combined lead, zinc, and copper concentrates from ASR and ER is approximately 72,000 tons. The waste rock dumps contain an estimated 5.7 million tons of barren dolomitic-limestone shot rock. The upper and lower tailings impoundments contain an estimated 2.6 mt, at a ratio of about 30% to 70% respectively. At the date of cessation for all operations, February 1993, approximately 328 acres had been disturbed by the "North" and "South" open pit mines, overburden stripping, waste rock dumps, mill and shops, access roads and two tailings impoundments. ASR total production (1950-1971) was 7.5 mt of which 2.675 mt were classified as ore and thus processed by the mill. ASR's mining took place at the east end of the North pit and the entire South pit (see "Existing Mine Site map, section 2). ASR shipped lead concentrates to their East Helena, MT smelter, and zinc concentrates to Great Falls, MT. Callahan Mining conducted exploration activities (1971-1990) but mined no ore. ER (1990-present time) produced an estimated 1.27 mt from the west end of the North pit, of which ~ 0.27 mt was ore.

Section 2 of this report contains an overall Land Status Map, a Tailings impoundment map, and a mine/mill site map extracted from ER's *Reclamation and Closure Plan* prepared by Beacon Hill Consultants, Vancouver, B.C. (1999).

Section 3 contains archival newspaper clippings taken from DGER mine files.

Section 4 contains DGER field data taken October 2002. Water samples taken at various locations on the site were analyzed for cadmium, lead and zinc content. The North pit and Onion Creek-bypass samples meet the state criteria for ground water and aquatic life (chronic). The South pit sample exceeds one or more standards for lead and zinc. The lower tailings pond lead analyses exceed aquatic life (chronic) criteria. Although elevated conductivity readings were observed, the pH of all but one water sample was in the range 8.1 to 9.5 (See Tables 1,2, and 3). Several breeding pairs of Mallard ducks and 3 female Hooded Mergansers were observed on the lower tailings pond east basin.

The North pit lake is approximately 700 ft long x 350 ft wide x 100 ft deep. The extreme west end of the lake appears to be dammed by undisturbed rock in the haul road, or a minor amount of shot rock. Little if any infiltration to Onion Creek was occurring at the time of DGER field investigation. The lake level is elevation 3510 ft.

The South pit lake is approximately 130 ft long x 50 ft wide x 2 ft deep. It does not appear to overflow. The lake level is elevation 3600 ft. The northern-most branch of Onion Creek bypasses both pit lakes.

A number of reagent containers and petroleum products left by ER at the cessation of operations were found in and around the mill. As a result of care undertaken by a former Equinox mine employee, Mr. Randy Miller, the containers appear sound and undamaged. The same can be said for most of the materials stored outside such as diesel, gasoline and solvent storage tanks, some of which are empty. (See Table 4).

Soil samples taken at both tailings impoundments indicate levels of lead and zinc exceed the Model Toxics Control Act criteria for unrestricted land use. A site of supposed copper sulfate spillage south of the mill building exceeds the criteria for copper content by many levels of magnitude. A few tons of lead and zinc concentrates remain in the storage bins and rake classifiers at the lower west end of the mill, and probably in the flotation cells (See Tables 5 and 6). Soil levels for cadmium, lead and zinc correlate very well with analyses conducted by Beacon Hill Consultants in 1999 at similar locations (included).

Section 5 contains DGER digital photos taken October 2002, and aerial photos from overflights on August 1970 (ST-70), August 1992 (NE92), and August 2000 (NE-C-2000).

A comprehensive study of water, sediment and soil quality around VSM was the subject of the following thesis:

Routh, Joyanto, 1993, Impact of lead-zinc mining on distribution of major and trace elements in water, sediment and soil in Van Stone mine, Stevens County, Washington: Eastern Washington University Master of Science thesis, 140 p.

Chronology of Operations:

1. George Van Stone and Henry Maylor discovered the outcrop in 1920, and staked certain claims. Hecla Mining Co. performed some exploration work in 1926 under a lease. A Guy Riegel of Spokane held possessory title from 1925 through mid-1930s at which time the property was acquired by Willow Creek Mines of Nevada, Inc. Willow Creek drove underground drifts and shipped a minor amount of ore during the period 1938-1942.

2. American Smelting and Refining:

1950- acquired the property from Willow Creek Mines.

1951- diamond drilling, trenching and delineation of the orebody.

1952- 1000 ton per day (tpd) flotation mill construction. ASR operated the mill and a contracting company, Isbell Construction, Reno NV started stripping and mining operations. Mining continued until 1957 under a price supported Federal Government contract sponsored by the Defense Mineral Production Act for zinc and other metals.

1957- 1964- Mine was shut down due to low metal prices at termination of DMPA contract. In 1961, the west end of the upper tailings impoundment failed, releasing a significant volume of water into Onion Creek which flooded the Clugstone Creek county road (Colville Statesman-Examiner clipping attached). This event prompted the construction of the lower tailings pond in the NW ¼ section 29, NE ¼ section 30. This necessitated extending the 8" wood stave mill-discharge pipe around the upper pond and running it cross-country approximately 2 miles northwest to the new site (See Land Status Map, this report section 2).

1964-1967: Mining continued.

May 1967-1969: Shut down due to low metal prices.

1970: ASR discovered a new orebody in a western extension of the North Pit.

January 1971: ASR sold property to Sumerian Mining Co. of Spokane. (aka Atlas Mine and Mill Supply, aka Washington Resources, LLC, Nandor Szombathy President).

3. Callahan Mining Co, Inc.

June 1971: SMC assigned purchase rights to Callahan Mining Co. Partners in the Callahan stewardship were U.S. Borax and Chemical Co. (25%) and Brinco Ltd. of Canada (25%), both subsidiaries of Rio Tinto Ltd., United Kingdom. CMC and partners drove exploration drifts and diamond drilled the new orebody discovered by ASR.

July 1990: Equinox Resources (Wash.) Ltd. a Canadian corporation purchased the property.

4. Equinox Resources Inc.:

July 1990: ER purchase complete with arranged financing from a European syndicate and others.

March 1991: Started mining.

October 1991 – August 1992: Shut down

September 1992 – December 22, 1992: Continued mining.

February 1993: Cessation of milling. End of operations.

At the time of purchase, ER owned a 20% interest in Pan American Minerals Corp, (Canadian). In the early 1990s, Pan American Minerals became Pan American Silver Corp, and acquired ER as a subsidiary. In August 1995, Pan American Silver sold ER to Zicor Mining Corp. (Vancouver BC). In July 1998, Zicor acquired Mano River Resources Ltd.,UK. The enclosed press release states the surviving parent company became Mano River Resources Ltd. (MRR).

ER was issued surface mining reclamation permit #12667 on January 1, 1991; which covers reclamation on portions of the post-1971 waste rock dumps authorized by RCW 78.44 "Surface Mining Act." Since cessation of operations, ER has failed to meet the conditions stipulated in the reclamation permit. The DOE is lead agency on issues dealing with tailings, mill site, water quality and dam safety.

Ownership Data:

1950—1971: American Smelting and Refining Co.

Currently registered with the WA Sec. of State. UBI 601 125 306

Date of Incorporation: 08/10/1995

License Expiration Date: 08/31/2003

Registered Agent: CT Corporation System

520 Pike St. Suite 2610

Seattle, WA 98101

Address: 820 Bear Tavern Rd.

W. Trenton, NJ 08628

Officers: M.A. Ferrucci, President, et al. (See attached Sec. of State Renewal).

1971—1971 Sumerian Mining Co.

Date of last registration unknown.

Related company ownership known as Washington Resources, Inc.

Currently registered with the WA Sec. of State. UBI 601 593 637

Date of Incorporation: 12/22/1994

License Expiration Date: 12/31/2003

Registered Agent: Frank Gebhardt

Paulsen Ctr.

407 W. Riverside Ave. #1400

Spokane, WA 99201

Address: 5629 E. Rutter

Spokane, WA 99211

Officers: Arlen B. Looney, Jr., and Sandor Szombathy, Managers. (See attached License renewal).

1971—1990: Callahan Mining Co., Inc.

Last known (1992) UBI 600047600

Date of Incorporation: Unknown

License Expiration Date: 04/30/1992

Registered Agent: CT Corporation System

520 Pike St. Suite 2610

Seattle, WA 98101

Last known Address: 11811 N. Tatum Blvd., Ste. 4055,

Phoenix, AZ 85028

Officers: Wm. A. Nicely, President et al. See attached license renewal.

1990—present time: Equinox Resources, Inc., subsidiary of Mano River Resources
Currently registered Sec. of State. UBI 601 228 915

Date of Incorporation: 10/01/1980

License Expiration Date: 10/31/2003

Registered Agent: CT Corporation System
520 Pike St. Suite 2610
Seattle, WA 98101

Address: **United Kingdom:**

5 St. Michael's House, Priory Rd.
Wantage, England OX129DE

Officers: Tom Elder President and Director
(See attached Sec. of State Renewal Report).

Vancouver, B.C.:

890 West Pender St.
Suite 600

Shiraz Hussein, Comptroller



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
MASTER LICENSE SERVICE
Renewal Agent for SECRETARY OF STATE

231-901.0
2002

PROFIT CORPORATION LICENSE RENEWAL & ANNUAL REPORT

Profit Corporation Name, Registered Agent & Registered Office Address

0228-W
OFFICE USE ONLY

9810

4120 000 400 081902

59.01

0001215 01 AV 0 278 00000 15 0 3760 98101-13855 0601125306

AMERICAN SMELTING AND REFINING COMPANY
C/O CT CORP SYSTM
520 PIKE ST
SEATTLE WA 98101-1385

Unified Business ID #: 601 125 306

Corporation Account #: 00990564

State of Incorporation: NJ

Date of WA Inc./Auth.: 08-10-1995

Expiration Date*: 08-31-2002*

☐ If the registered agent and/or office address shown above has changed, mark the box and complete the reverse side.

Submit completed renewal/annual report & fees by the expiration date to avoid \$25.00 late fee, or possible dissolution/revocation.

LICENSE RENEWAL SECTION

* After renewal your new expiration date will be: 08-31-2003

IN A HURRY? Renew online, pay by credit card. Go to: www.dol.wa.gov/mls/cr.htm
Login with company's UBI #: 601 125 306 and this password: F*27 6332

FOREIGN PROFIT CORPORATION
RENEWAL APPLICATION FEE

\$50.00
9.00

FAILURE TO RETURN COMPLETED FORM AND PAY FEES BY THE EXPIRATION DATE WILL RESULT IN DELINQUENCY FEES AND MAY LEAD TO REVOCATION OF YOUR CERTIFICATE OF AUTHORITY.

Make check payable to STATE TREASURER
in U.S. FUNDS only

TOTAL FEES DUE \$59.00

FEES & REPORT REQUESTED BY 08-15-2002

ANNUAL REPORT SECTION

You must COMPLETE THE ENTIRE SECTION BELOW each year. Type or print legibly in dark ink.

Telephone number of corporation (302) 658-7581

Address of principal place of business in WA NONE

If incorporated outside of Washington give the principal office address in the state or country of origin

820 BEAR TAVERN RD., W. TRENTON, NJ 08628

Briefly describe the nature of your business conducted in Washington

INACTIVE NAMEHOLDER

Below list the name & address of all corporate officers & all directors. Attach additional sheets in the same format if necessary. Include your UBI# on each page.

M.A. FERRUCCI 1209 ORANGE STREET, WILMINGTON, DE 19801

PRESIDENT'S NAME

C. M. DENNY 1209 ORANGE STREET, WILMINGTON, DE 19801

VICE PRES. NAME

KIM E. LUTTHANS 1209 ORANGE STREET, WILMINGTON, DE 19801

SECRETARY'S NAME

A. M. HORNE 1209 ORANGE STREET, WILMINGTON, DE 19801

TREASURER'S NAME

M. A. FERRUCCI 1209 ORANGE STREET, WILMINGTON, DE 19801

CHIEF BOARD OF DIRECTORS NAME

IF YOU SAY YOU HAVE "NO DIRECTORS" YOU MUST LIST AND MANAGE THE FIRM'S NORMAL OPERATIONS BY CORPORATE DIRECTORS

A. M. HORNE & KIM E. LUTTHANS

601125306

X

ORIGINAL SIGNATURE OF AN OFFICER OR BOARD CHAIR
(NAME MUST APPEAR ON ANNUAL REPORT)

C. M. DENNY

VICE PRESIDENT
TITLE

8/13/2002
DATE SIGNED

Please return to
DEPARTMENT OF LICENSING
MASTER LICENSE SERVICE
PO BOX 9034
OLYMPIA WA 98507-0034

Phone: (360) 864-1450

The Department of Licensing has a policy of providing equal access to its services. If you need special accommodation, please call (360) 864-1400 or TTY (360) 588-2788.

BLS-700-112 CORPORATE LICENSE RENEWAL (Rev 3/00) Page 1 of 2

231-901.1
2002

AMERICAN SMELTING AND REFINING COMPANY

CORPORATION TRUST CENTER

1209 Orange Street

Wilmington, Delaware 19801

August 13, 2002

DEPARTMENT OF LICENSING
BUSINESS AND PROFESSIONS DIVISION
P. O. BOX 9034
OLYMPIA, WASHINGTON 98507-9034

Gentlemen:

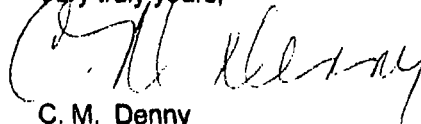
We enclose for filing the following return of this corporation, for the year
ended 2001.

ANNUAL REPORT

☒ Also enclosed is a check in the amount of \$ 59.00 covering payment
due.

Please acknowledge receipt by stamping and returning to us this letter.

Very truly yours,



C. M. Denny
Vice President

CMD:sua
Enclosures

CT42A (REV. C) - 10M - 11/94



Secretary of State

Department of Licensing

Corporation / Limited Liability Company Renewal

Completed Annual Report ?

CRNL Version Number: 1

RETRIEVED ARCHIVE ON 3/6/2003 at 10:26 AM

Your annual report has been completed and submitted. Your renewal is not complete until payment is received from your credit card provider. Please allow 14 days to receive your license document in the mail. If you have any questions contact us at mls@dol.wa.gov.

Completed Date and Time: Feb 14 2003 4:01PM (Pacific Time Zone)

Transaction Number: 2003 045 5127
(Refer to this number if you have questions about this application.)

Credit Card Approval Number: 0452673120003322364188

Business Entity Information:

WASHINGTON RESOURCES, L.L.C.

(FORMERLY SUMERIAN MINING CO.)

Your license will be mailed to the registered agent below.

FRANK J GEBHARDT
PAULSEN CTR
407 W RIVERSIDE AVE #1400
SPOKANE, Washington 99201

Unified Business ID: 601 593 637
State of Formation: Washington
Date of Formation: 12/22/1994
Expiration Date: 12/31/2003

Annual Report:

Principal place of business in Washington: 5629 E. Rutter
Spokane, Washington 99211

Telephone Number: (509) 534 0266

Nature of your business: Services - All Other

Confirmed Governing People:

Name	Address	Title(s)
ARLEN B LOONEY JR	P.O. Box 11988 SPOKANE, Washington 99211	Manager
David A. Klaue	P.O. Box 11988 Spokane, Washington 99211	Manager
Sandor G. Szombathy	P.O. Box 2996 Ketchum, Idaho 83340	Manager

Fee Statement:

Domestic Limited Liability Company	\$50.00
Renewal Application Fee	\$9.00
Delinquent Fee	\$25.00

(1000 1000 1000)

Read deed
-Callahan
involved

Total Fees	\$84.00
Previous Payment	(\$0.00)
Total Amount Billed to Your Visa	\$84.00

Person Completing:

Completed by:

Frank J. Gebhardt (Other)

Exit



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
BUSINESS LICENSE SERVICES
Renewal Agent for SECRETARY OF STATE

31 098 00530

110-W
710-RA1

CORPORATE LICENSE RENEWAL/ANNUAL REPORT

01P-400-731-0003

Name of Registered Agent

4100-000 400-64025

C. T. CORPORATION SYSTEM
Corporate Name and Registered Office Address

EXPIRATION DATE **04-30-91***

(Must be paid or before this date)

UNIFIED BUSINESS ID # **600047600**

CORPORATION ACCOUNT # **00508606**

STATE OF INCORPORATION **AZ**

CALLAHAN MINING CORPORATION
C/O C. T. CORPORATION SYSTEM
520 PIKE STREET
SEATTLE

WA 98101

IF REGISTERED AGENT OR ADDRESS HAS CHANGED, COMPLETE THIS SECTION - These actions must have been authorized by the Board of Directors.

New registered agent name

AGENT'S CONSENT TO APPOINTMENT **X**

New registered office address

EFFECTIVE DATE

*Post Office Box letters cannot be accepted as a Registered Office Address.

LICENSE RENEWAL

AMOUNT DUE

FOREIGN PROFIT CORPORATION

\$50.00

ANNUAL REPORT FEE

10.00

FAILURE TO RETURN COMPLETED FORM AND PAY FEES BY THE EXPIRATION DATE WILL RESULT IN DELINQUENCY FEES AND MAY LEAD TO REVOCATION OF YOUR CERTIFICATE OF AUTHORITY.

TOTAL

IN U.S. FUNDS ONLY
\$60.00

PAYMENT DUE BY

04-15-91

ANNUAL REPORT SECTION - Must be filled in completely. Please type or print in ink. (Make check payable to the STATE TREASURER)

Address of principal place of business in WA **CT Corporation System, 520 Pike Street, Seattle, Washington**

Telephone number of corporation **602 953-5965**

Foreign corporation Principal office address in state or country of incorporation **11811 N. Tatum Blvd., Ste. 4055, Phoenix, AZ 850**

Briefly state nature of business in WA **None at present**

List NAME(S) and respective ADDRESS(ES) of corporate officers and directors. Same or No Change can't be accepted.

PRESIDENT

See attached schedules

VICE PRES

SECRETARY

TREASURER

CHAIR/BOARD OF DIRECTORS

(Attach list of additional directors)

X **Signature of President** **4-2-91**

SIGNATURE OF AN ABOVE LISTED OFFICER OR BOARD CHAIR

TITLE

DATE

AFTER RENEWAL, YOUR NEW EXPIRATION DATE WILL BE 04-30-92

Please return to: DEPARTMENT OF LICENSING
BUSINESS LICENSE SERVICES
IRB-01
OLYMPIA, WA 98504-8008
TOLL FREE IN WA 1-800-562-8203
OUTSIDE WA 206-753-4401

H. 00508606

CALLEHAN MINING CORPORATION
Officers

<u>Name of Officer</u>	<u>Residence Address</u>	<u>Title</u>
William A. Nicely	5606 E. Caballo Drive Paradise Valley, AZ 85253	President & Chairman of the Board
William P. Lohden	5432 Via Del Cielo Paradise Valley, AZ 85253	Vice President & Treasurer
Frederick R. Radcliffe, Jr.	60 Eastland Terrace Haverhill, MA 01830	Vice President
Albert C. Walkup	4902 East Ludlow Scottsdale, AZ 85254	Vice President
John T. Mettham	6102 West Mescal Street Scottsdale, AZ 85254	Controller
John T. Stevens, Jr.	316 East Keogh Drive Phoenix, AZ 85022	Assistant Treasurer
Millie S. Jenks	3013 East Cannon Drive Phoenix, AZ 85028	Assistant Secretary

Business Address

All officers of the Company may use the Corporation's address as their business address:

Callehan Mining Corporation
11811 North Tatum Boulevard
Suite 055
Phoenix, AZ 85028

All officers are elected annually by the Board of Directors. As of the date of this Annual Report, all officers terms began on April 18, 1990 and expire on April 24, 1991.

60508606

CALLAHAN MINING CORPORATION
Directors

<u>Name</u>	<u>Residence Address</u>
Dixon H. Cain	3911 Willowick Drive, Houston, TX 77019
William C. Garrett	3508 Lexington, Dallas, TX 75205
John C. Hall	14 Bonnie Heights Road, Manhasset, NY 11030
Roger M. Keefe	Nathan Hale Road, Wilson Point, South Norwalk, CT 06854
Richard D. Mollison	1777 Inlet Drive, Marco Island, FL 33937 (Winter address) 13 Hendrie Drive, Old Greenwich, CT 06870 (Summer address)
Siegfried Muessig	c/o Crystal Exploration, Inc. 1000 East Walnut Street, Pasadena, CA 91106
William A. Nicely	5606 East Caballo Drive, Paradise Valley, AZ 85253
Fayez Sarofim	3970 Inverness, Houston, TX 77019
Charles D. Snead, Jr.	Pima Road, P.O. Box 5528, Carefree, AZ 85377
William Wraith, III	110 Sausal Drive, Portola Valley, CA 94025

Business Address

All directors of the Company may use the Corporation's address as their business address.

Callahan Mining Corporation
11811 North Tatum Boulevard
Suite 4055
Phoenix, Arizona 85028

All directors are elected annually at the annual shareholders' meeting. As of the day of the Annual Report, all directors' terms began on April 18, 1990 and expire on April 24, 1991.



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
MASTER LICENSE SERVICE
Renewal Agent for SECRETARY OF STATE

**PROFIT CORPORATION
LICENSE RENEWAL & ANNUAL REPORT**

Profit Corporation Name, Registered Agent & Registered Office Address:

0001095 01 AV 0278 WWAUTO 14-0 3960 98101-408360 U601228915

EQUINOX RESOURCES (WASH.) INC
C/O C.T. CORPORATION SYSTEM
520 PIKE ST STE 2610
SEATTLE WA 98101-4083

0237-W 9810
OFFICE USE ONLY

5153 000 400 120902 53.00

01P-400-711-0003

Unified Business ID #: 601 228 915

Corporation Account #: 23033038

State of Incorporation: WA

Date of WA Inc./Auth.: 10-01-1980

Expiration Date*: 10-31-2002*

Submit completed renewal/annual report & fees by the expiration date to avoid \$25.00 late fee, or possible dissolution/revocation.

☐ If the registered agent and/or office address shown above has changed, mark the box and complete the reverse side.

LICENSE RENEWAL SECTION *After renewal your new expiration date will be: 10-31-2003

IN A HURRY? Renew online, pay by credit card. Go to: www.dol.wa.gov/mls/cr.htm
Login with company's UBI #: 601 228 915 and this password: M857 7997

**DOMESTIC PROFIT CORPORATION
RENEWAL APPLICATION FEE**

\$50.00
9.00

**FAILURE TO RETURN COMPLETED FORM AND PAY FEES BY THE
EXPIRATION DATE WILL RESULT IN DELINQUENCY FEES AND
MAY LEAD TO THE DISSOLUTION OF YOUR CORPORATION.**

Make check payable to **STATE TREASURER**
in U.S. FUNDS only

TOTAL FEES DUE: \$59.00

**FEES & REPORT
REQUESTED BY: 10-15-2002**

ANNUAL REPORT SECTION You must **COMPLETE THE ENTIRE SECTION BELOW** each year. Type or print legibly in dark ink.

Telephone number of corporation: (44) 1235 - 810740

Address of principal place of business in WA: P.O. Box 32 Colville WA 99114

If incorporated outside of Washington give the principal office address in the state or country of origin: N/A

Briefly describe the nature of your business conducted in Washington: Mining

Below list the name & address of all corporate officers, & all directors: (Attach additional sheets in the same format, if necessary. Include your UBI# on each page.)

Tom Elder, 5 St. Michael's House, Priory Road, Wantage, England OX129DE

PRESIDENT'S NAME and Director ADDRESS CITY STATE ZIP

VICE PRES'S NAME ADDRESS CITY STATE ZIP

SECRETARY'S NAME ADDRESS CITY STATE ZIP

TREASURER'S NAME ADDRESS CITY STATE ZIP

CHARTERED BY NAME OF DIRECTORS' NAME ADDRESS CITY STATE ZIP
IF YOU SAY YOU HAVE "NO DIRECTORS" YOU MUST LIST WHO HANDLES THE DUTIES NORMALLY PERFORMED BY CORPORATE DIRECTORS

601228915

X Tom Elder President & Director Nov. 21, 2002
ORIGINAL SIGNATURE OF AN OFFICER OR BOARD CHAIR TITLE DATE SIGNED
(NAME MUST APPEAR ON ANNUAL REPORT)

The Department of Licensing has a policy of providing equal access to its services.
If you need special accommodation, please call (360) 864-1400 or TTY (360) 866-2788.

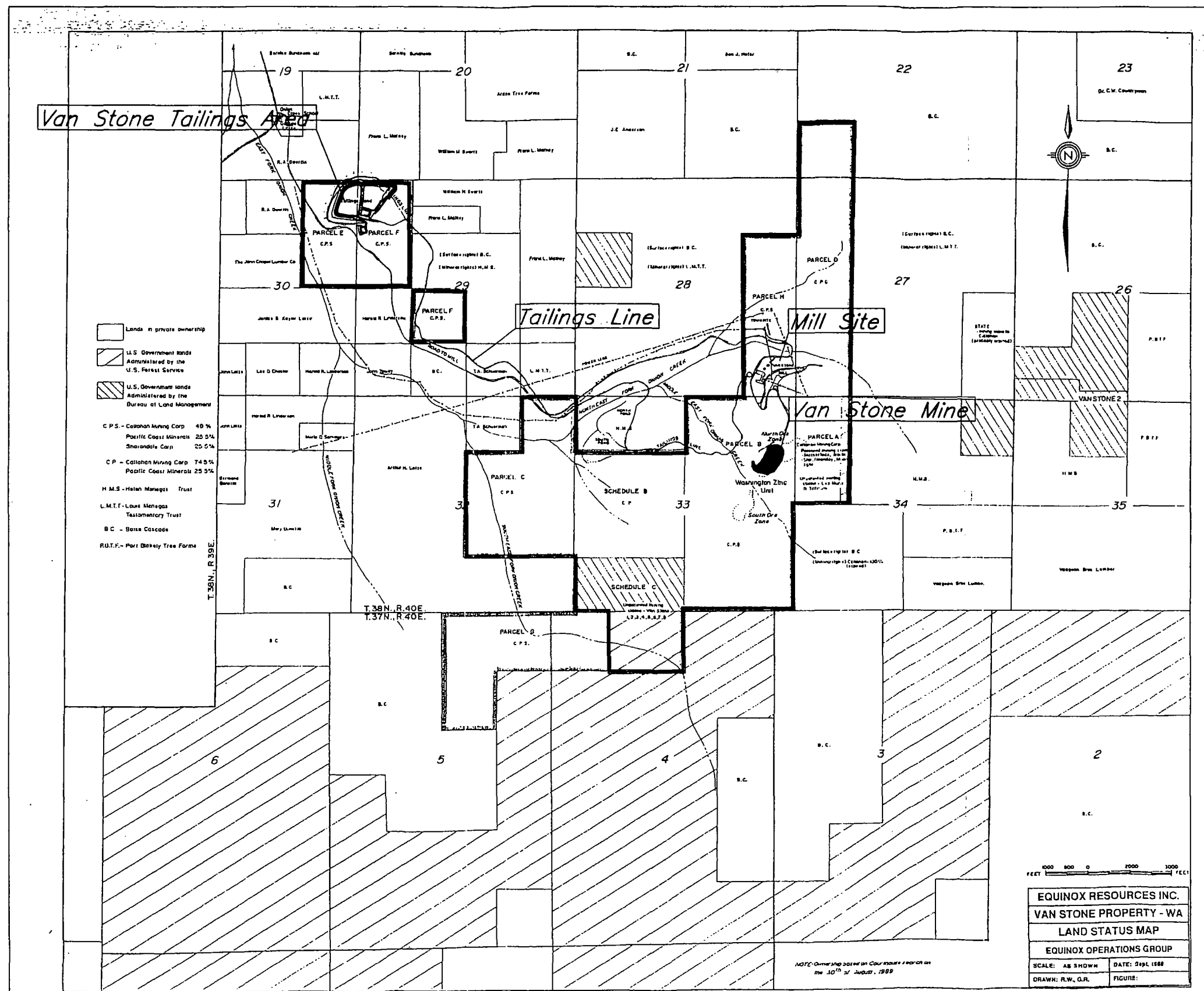
BLS 700-112 CORPORATE LICENSE RENEWAL (Rev. 3/00) Page 1 of 2

Please return to: **DEPARTMENT OF LICENSING
MASTER LICENSE SERVICE
P.O. BOX 9031
OLYMPIA WA 98507-0031**
Phone: (360) 864-1400

EQUINOX RESOURCES (WASH.) INC.
VAN STONE MINE
LAND STATUS MAP

Current Property Boundary

red line is
tailing line
8" p.p.e

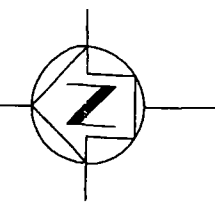
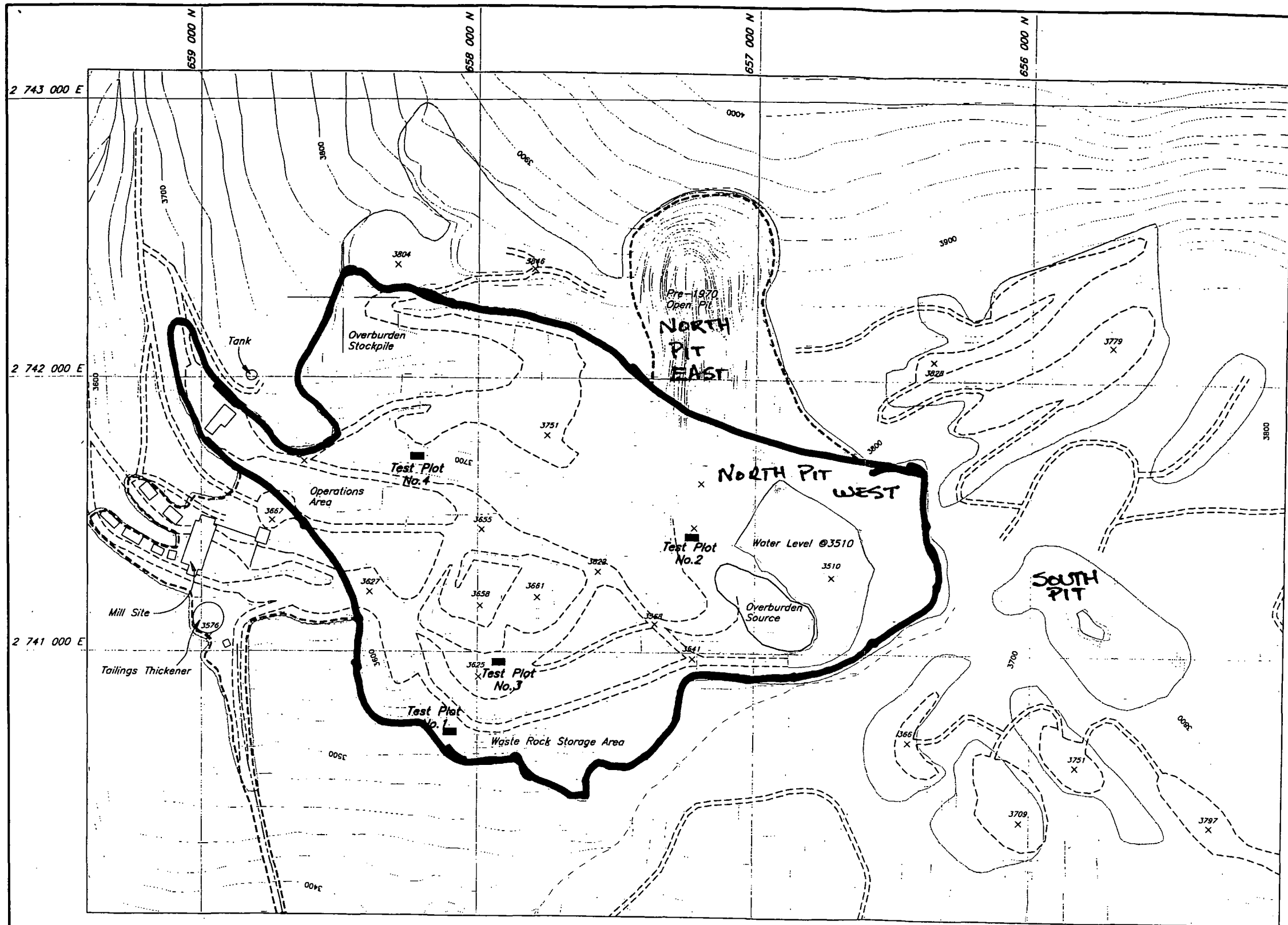


Note: Adapted from Equinox Resources Inc.

JUNE 8, 1999

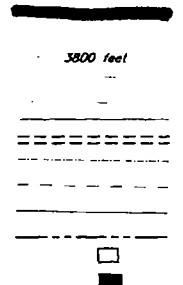
HALLAM KNIGHT PIESOLD LTD.
ENVIRONMENTAL CONSULTANTS

FIGURE 4



LEGEND

PERMIT BOUNDARY AND BOUNDARY
 OF POST 1970 DISTURBANCE
 CONTOUR - INDEX
 CONTOUR - INTERMEDIATE
 CONTOUR - DEPRESSION
 TREELINE
 ROAD AND MAIN DISTURBED AREAS
 STREAM - PERENNIAL
 STREAM - INTERMITTENT
 POND
 PIPELINE
 BUILDING
 TEST PLOTS



REFERENCE

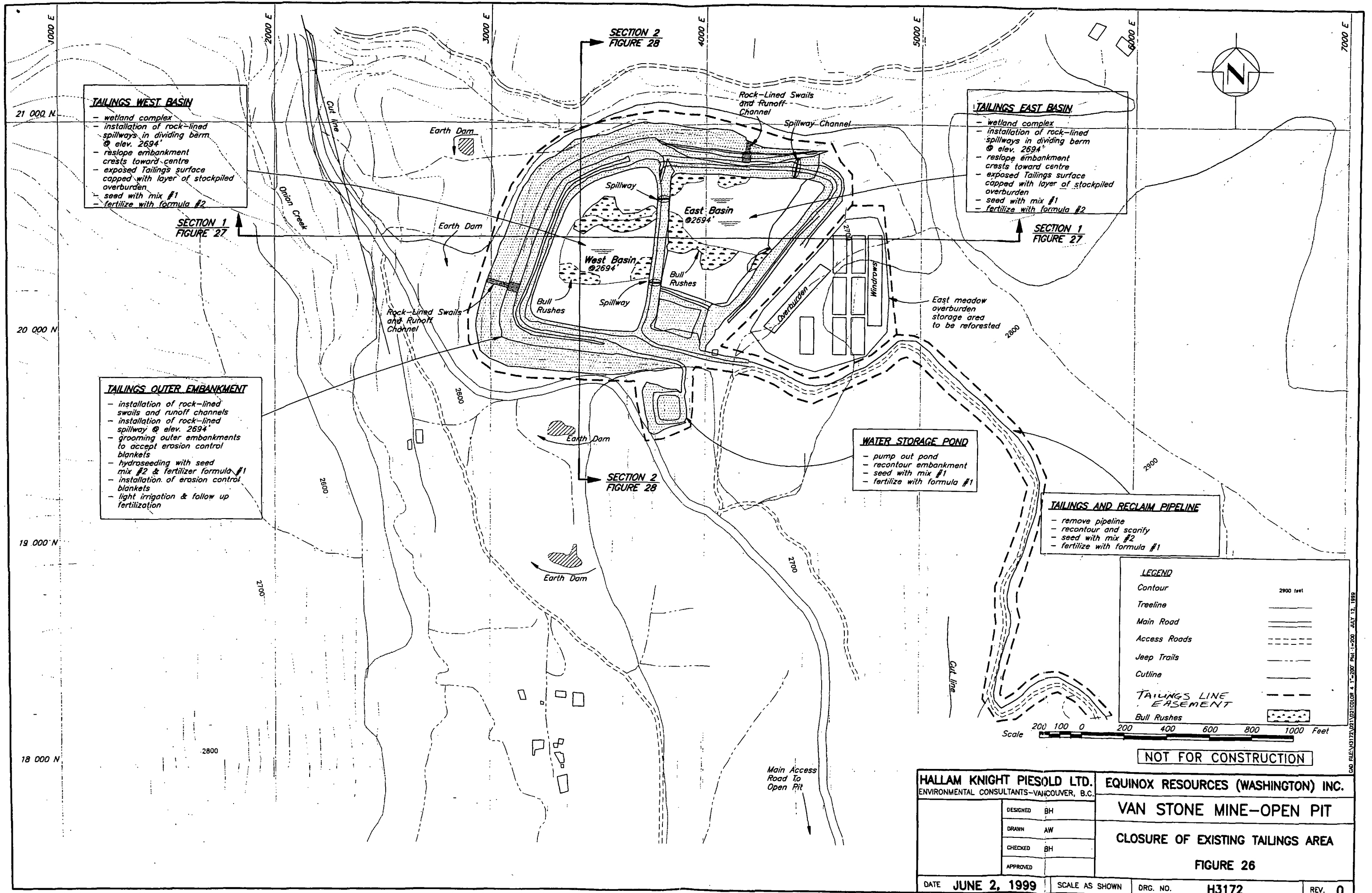
MAP BY: DEPT OF NATURAL RESOURCES
 PHOTOGRAPHY DATE: 7/18/95

Scale 200 100 0 200 400 600 800 1000 Feet

NOT FOR CONSTRUCTION

HALLAM KNIGHT PIESOLD LTD. ENVIRONMENTAL CONSULTANTS-VANCOUVER, B.C.		EQUINOX RESOURCES (WASHINGTON) INC.	
DESIGNED: BH		VAN STONE MINE-OPEN PIT	
DRAWN: AW		EXISTING MINE SITE AND AREA OF DISTURBANCE FIGURE 14	
CHECKED: BH			
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DATE: JUNE 2, 1999	SCALE AS SHOWN	DRG. NO. H3172	REV. 0

C:\P\ENV\175\01\0001\1-200\Fig 1-200 July 12, 1999



From Equinox
Resources
Reclamation + Closure Plan
July 1999

Check out
Parcel G
Parcel H
Schedule B+C

APPENDIX A

LAND TENURE AND LAND OWNERSHIP SCHEDULE

SCHEDULE A

PARCEL A

The Mother Lode, North Star, Noonday and Moonlight Lode Mining Claims, designed as Survey No. 1288, embracing a portion of Section 34, Township 38 North, Range 40, East, W.M., in Stevens County, Washington, as conveyed to American Smelting and Refining Company, a New Jersey corporation, by Patent dated August 20, 1957, recorded under Auditor's File No. 313953.

PARCEL B

The E-1/2 of Section 33, Township 38 North, Range 40, East, W.M., in Stevens County, Washington.

PARCEL C

The E-1/2 of the NE-1/4, the SW-1/4 of the NE-1/4 and N-1/2 of the SE-1/4 of Section 32, Township 38 North, Range 40, East, W.M., in Stevens County, Washington.

PARCEL D

The SW-1/4 of the SW-1/4 of Section 22, the W 1/2 of the W 1/2 of Section 27; all in Township 38 North, Range 40, East.

PARCEL E

The E-1/2 of the NE-1/4 of Section 30, Township 38 North, Range 40, East, W.M., in Stevens County, Washington.

PARCEL F

The W-1/2 of the NW-1/4 and the NE-1/4 of the SW-1/4 of Section 29, Township 38 North, Range 40, East, W.M., in Stevens County, Washington.

PARCEL G -

Government Lot 4 of Section 4; Government Lots 1, 2, and 7 of Section 5; all in Township of 37 North, Range 40, East, W.M., in Stevens County, Washington.

PARCEL H -

The SE-1/4 of the NE-1/4, the NE-1/4 of the SE-1/4 and the SE-1/4 of the SE-1/4 Section 28, Township 38 North, Range 40, East, W.M., in Stevens County, Washington.

Specifically including the following tangible property, whether attached or unattached and whether or not a fixture or appurtenance:

Tangible Property

Buildings
Crusher buildings
Mill building
Mill Shop
Warehouse
Change House
Assay Office
Office
Garage
Scale-house
Core storage
Switch building
Pit shop

Miscellaneous

20 M gallon water tank
Return water tank
Bunk house
3-bedroom residence
3-bedroom residence
2-bedroom residence
2-bedroom residence
Power feeders
Pump power line
T-6 tractor
Car spotter
Tailings pipe line
Tailings flume
Tailings dam
60 M gallon water tank
200 M gallon water tank
Fire mains and hydrants
Domestic water main
Pipe line
Pipe line
Dam and pipe line

Machinery and Equipment

Crushing plant
Mill
Mill shop
Warehouse
Assay office
Scale house
Mine shop equipment
Road equipment

Miscellaneous

Dam and pipe line
Dam and pipe line
Pit power lines & switchgear
Pit water line
Pit air line

Together with all improvements, water rights, rights-of-way and other rights appurtenant thereto, including the following:

A dam, weir house, pipeline and access road located within lands in Section 4, Township 47 North, Range 40 East, W.M., covered by a Special Use Permit of the Colville National Forest, dated August 19, 1960, subject, however, to re-issuance of said Special Use Permit;

A water right to 75 gallons per minute from the Northeast Quarter of the Northeast Quarter (NE-1/4 NE-1/4), Section 30, Township 38 North, Range 40 East, W.M., as specified in Ground Water Permit 2531, and recorded in Certificate Record No. 5, page 2296-A, Records of Stevens County;

A water right to 0.40 of a cubic foot per second from the Northeast Quarter (NE-1/4) of Section 4, Township 37 North, Range 40 East, W.M., as specified in Appropriation Permit No. 7398, and recorded in Certificate Record No. 11, page 5161, Records of Stevens County;

A water right to 0.45 of a cubic foot per second from the Southeast Quarter (SE-1/4) of Section 33, Township 38 North, Range 40 East, W.M., as specified in Appropriation Permit No. 7399, and recorded in Certificate Record No. 12, page 5012, Records of Stevens County; and

A water right to 0.20 of a cubic foot per second from the Southwest Quarter (SW-1/4 SW-1/4) of Section 27, Township 39 North, Range 40 East, W.M., as specified in Appropriation Permit No. 7397, and recorded in Certificate Record No. 11, page 5011, Records of Stevens County;

together with:

An easement for a water pipeline across the Southwest Quarter of the Southeast Quarter (SW-1/4 SE-1/4) of Section 29, Township 38 North, Range 40 East, W.M., as recorded in Book 150 of deeds, at page 89, Records of Stevens County;

and together with:

An easement for a pipeline across the Southeast Quarter of the Southwest Quarter (SE-1/4 SW-1/4) of Section 29, Township 38 North, Range 40 East, W.M., as recorded in Book 150 of deeds, at page 90, Records of Stevens County;

and together with:

All of those certain easements for rights-of-way for road leading from public county road to Van Stone Mine in Stevens County, Washington, and particularly described as follows:

That certain right-of-way recorded September 3, 1947, in Book 129 of Deeds, at page 529, public records of Stevens County, conveying a right-of-way easement for a road 50 feet in width over and across property located in the Southwest Quarter of the Southwest Quarter (SW-1/4 SW-1/4) of Section 29, Township 38 North, Range 40 East, W.M.;

That certain right-of-way recorded September 3, 1947, in Book 129 of Deeds, at page 525, public records of Stevens County, conveying a right-of-way easement for a road 50 feet in width over and across property located in:

The Southeast Quarter of the Southeast Quarter (SE-1/4 SE-1/4) of Section 29, Township 38 North, Range 40 East, W.M.;

The South Half of the Southwest Quarter (S-1/2 SW-1/4) of Section 28, Township 38 North, Range 40 East, W.M.;

The Southwest Quarter of the Southeast Quarter (SW-1/4 SE-1/4) of Section 28, Township 38 North, Range 40 East, W.M.;

The Northwest Quarter of the Northwest Quarter (NW-1/4 NW-1/4) of Section 33, Township 38 North, Range 40 East, W.M.;

The Northeast Quarter of the Northwest Quarter (NE-1/4 NW-1/4) of Section 33, Township 38 North, Range 40 East, W.M.;

That certain right-of-way recorded September 3, 1947 in Book 129 of Deeds, at page 523, public records of Stevens County conveying a right-of-way easement for a road 50 feet in width over and across property located in the Northeast Quarter of the Northeast Quarter (NE-1/4 NE-1/4) of Section 32, Township 38 North, Range 40 East, W.M.;

That certain right-of-way recorded September 3, 1947, in Book 129 of Deeds, at page 521, public records of Stevens County conveying a right-of-way easement for a road 50 feet in width over and across property located in the Southeast Quarter of the Southwest Quarter (SE-1/4 SW-1/4) of Section 29, Township 38 North, Range 40 East, W.M.;

That certain right-of-way recorded September 3, 1947, in Book 129 of Deeds, at page 519, public records of Stevens County conveying a right-of-way easement for a road 50 feet in width over and across property located in the Southwest Quarter of the Southeast Quarter (SW-1/4 SE-1/4) of Section 29, Township 38 North, Range 40 East, W.M.;

That certain right-of-way recorded September 3, 1947, in Book 129 of Deeds, at page 531, public records of Stevens County conveying a right-of-way easement for a road 50 feet in width over and across property located in the Northwest Quarter of the Southwest Quarter (NW-1/4 SW-1/4) of Section 29, Township 38 North, Range 40 East, W.M.;

A right-of-way for a road over and across the Southeast Quarter of the Southeast Quarter (SE-1/4 SE-1/4) of Section 29, the Southwest Quarter (SW-1/4) and the West Half of the Southeast Quarter (W-1/2 SE-1/4) of Section 28, and the Northwest Quarter of the Northwest Quarter (NW-1/4 NW-1/4) of Section 33, Township 37 North, Range 40 East, W.M., as reserved to Grantors in a Quitclaim Deed from American Smelting and Refining Company to Ernest Lotz, et al, dated July 23, 1965;

and together with:

A right-of-way for the transmission of electricity across the Southeast Quarter of the Southeast Quarter (SE-1/4 SE-1/4) of Section 29, the Southwest Quarter (SW-1/4) and the West Half of the Southeast Quarter (W-1/2 SE-1/4) of Section 28, Township 37 North, Range 40 East, W.M., as reserved to Grantors in the same Quitclaim Deed to Ernest Lotz, et al.

and together with:

An agreement and easement, with the amendments thereto, for a tailings line over and across the Northwest Quarter of the Northwest Quarter (NW-1/4 NW-1/4), the East Half of the Northwest Quarter (E-1/2 NW-1/4), the Northeast Quarter of the Northeast Quarter (NE-1/4 NE-1/4), the West Half of the Northeast Quarter (W-1/2 NE-1/4), the West Half of the Southeast Quarter (W-1/2 SE-1/4), and the Southwest Quarter (SW-1/4) of Section 28, the Northwest Quarter (NW-1/4), the North Half of the Southwest Quarter (N-1/2 SW-1/4) of Section 33, and the Southeast Quarter of the Southeast Quarter (SE-1/4 SE-1/4) of Section 29, Township 38 North, Range 40 East, W.M., and the right to dump tailings into existing pond, located in the Northwest Quarter (NW-1/4) of Section 33, Township 38 North, Range 40 East, W.M., as recorded under Auditor's File Numbers 365355, 370617, and 374718.

Subject to the right to cut all merchantable timber on those portions of Sections 22, 27, 28, and 33, Township 38 North, Range 40 East, W.M., and Sections 4 and 5, Township 37 North, Range 40 East, W.M., conveyed by this instrument which was reserved to Ernest Lotz, Matilda Lotz, Louis Menegas and Helen Menegas, until January 1, 1972, by the last-named agreement and easement and its amendments, and the right to cut all merchantable timber on those portions of Sections 29, 30, 32, and 34, Township 38 North, Range 40 East, W.M., conveyed by this instrument which was reserved to the same parties until January 1, 1974, by the same agreement and amendments.

And:

Subject to Exceptions and Reservations in United States Patents, and all easements and reservations of record for public and county roads and electrical distribution lines.

SCHEDULE B

The South one-half of the Northwest Quarter and the North one-half of the Southwest Quarter of Section 33 Township 38 North, Range 40, E.W.M., in Stevens County, Washington.

SCHEDULE C

Interest in the following described six(6) unpatented mining claims all located in Stevens County, State of Washington:

V.S. No. 1 - Corner post-marked No. 3 is in the vicinity of 1/4 corner Sec/33, T 38 N, R 40 E, and Sec/4 T 37 N, R 40 E, W.M. This claim is joined from the north by property of L. Menegas, from the east by property of American Smelting and Refining Co., from the west by claim V.S. No. 2 and from the south by claim V.S. No. 8. Corner No. 3 is the southeast corner of this claim. Filed May 5, 1971 in 30 Quartz at page 7.

V.S. No. 2 - This claim is joined from the north by property of L. Menegas, from the east by claim V.S. No. 1, from the west by claim V.S. No. 3 and from the south by claim

V.S. No. 7. This claim is located in Sec/33, T 38 N, R 40 E, W.M. Filed May 5, 1971 in 30 Quartz at page 8.

V.S. No. 3 - This claim is located in Sec/33, T 39 N, R 40 E, W.M. and it is joined from the north by property of L.Menegas, from the east by claim V.S. No. 2, from the west by claim V.S. No. 4 and from the south by claim V.S. No. 6. Filed May 5, 1971 in 30 Quartz at page 9.

V.S. No. 6 - This claim is located in Sec/4, T 37 N, R 40 E, W.M. and it is joined from the north by claim V.S. No. 3, and from the east by claim V.S. No. 7. Filed May 5, 1971 in 30 Quartz at page 10.

V.S. No. 7 - This claim is located in Sec/4, T 37 N, R 40 E, W.M. and it is joined from the north by claim V.S. No. 2 and from the east by claim V.S. No. 8 and from the west by claim V.S. No. 6. Filed May 5, 1971 in 30 Quartz at page 11.

V.S. No. 8 - This claim is located in Sec/4, T 37 N, R 40 E, W.M. Its corner No. 3, which is the northeast corner is identical with the corner No. 3, which is the southeast corner of claim V.S. No. 1. The common corner described is in the vicinity of 1/4 corner Sec/33, T 38 N, R 40 E, and Sec/4, T 37 N, R 40 E. This claim is joined from the north by claim V.S. No. 1 and from the west by claim V.S. No. 7. Filed May 5, 1971 in 30 Quartz at page 12.

Amendment including unpatented claims Lea, Mauve and Tillicum;

together with all the minerals, metals and ores therein; and all the rights privileges had, used, and enjoyed therewith.

✓

American Smelting and Refining Co.'s Van Stone operation, 25 mi. north-east of Colville, is making steady progress toward production sometime in the fall of 1952. Western-Knapp Engineering Co. is in charge of construction of the 1000-ton concentrator. Isbell Construction Co., supervised by ASARCO engineers, will open-pit the lead-zinc deposit. (Engineering and Mining Journal, December, 1951.)

5-R-6-24-56

'ASARCO' ENTERS STEVENS COUNTY

Acquires Van Stone; Opens Office at Northport

American Smelting and Refining company has consummated an agreement with Willow Creek Mines for its Van Stone property in Stevens county, Wash. J. B. Berg said yesterday in response to an inquiry to his office at Wallace,

In addition to being general manager of Federal Mining and Smelting company, controlled by "Asarco," Berg has general charge of the parent company's Northwest mining operations, including the Mike Horse near Helena, the Jack Walte on the Montana-Idaho line, and the Vulcan near Wallace, Idaho.

Other Properties Optioned

"Other properties adjacent to the Van Stone have been optioned," the mining executive said. "A drilling project is now underway to further explore the property."

A. N. Mastrovich is resident engineer in charge at Northport, Wash.

An office has been opened next door to that of Mines Management, an affiliate of Silver Dollar Mining company, also of the Coeur d'Alenes. Mines Management is developing the Iroquois group, 15 miles east of Northport, and the Advance, five miles southeast. Townspeople have dubbed the block "Mines Row."

The Van Stone comprises 14 claims in two groups, along Onion creek, about 10 miles due south from Northport. It is understood the additional optioned ground provides a contiguous area.

The late Guy Riegel of Spokane controlled Van Stone some 25 years ago, but development was dropped during the depression of the 1930s.

Principal values are in zinc and lead, with some silver and gold. Whether these latter values are commercial has not been determined.

Several Big Companies
Asarco is the latest among several large companies that have entered Stevens county in the last several years.

Asarco is acquiring the property from Willow Creek Mines of Nevada, which has equities in California and also a substantial interest at Republic, Wash.

Closest property to the Van Stone under recent operation is the Sierra Zinc, earlier known as the Aladdin or Blue Ridge. It lies about two miles east of the more easterly Van Stone claims. It was equipped some years ago with a mill which was operated a year ago on ore from the Anderson property at Leadpoint, eight miles east of Northport. The Anderson is controlled by Goldfield Consolidated, also a Nevada concern.

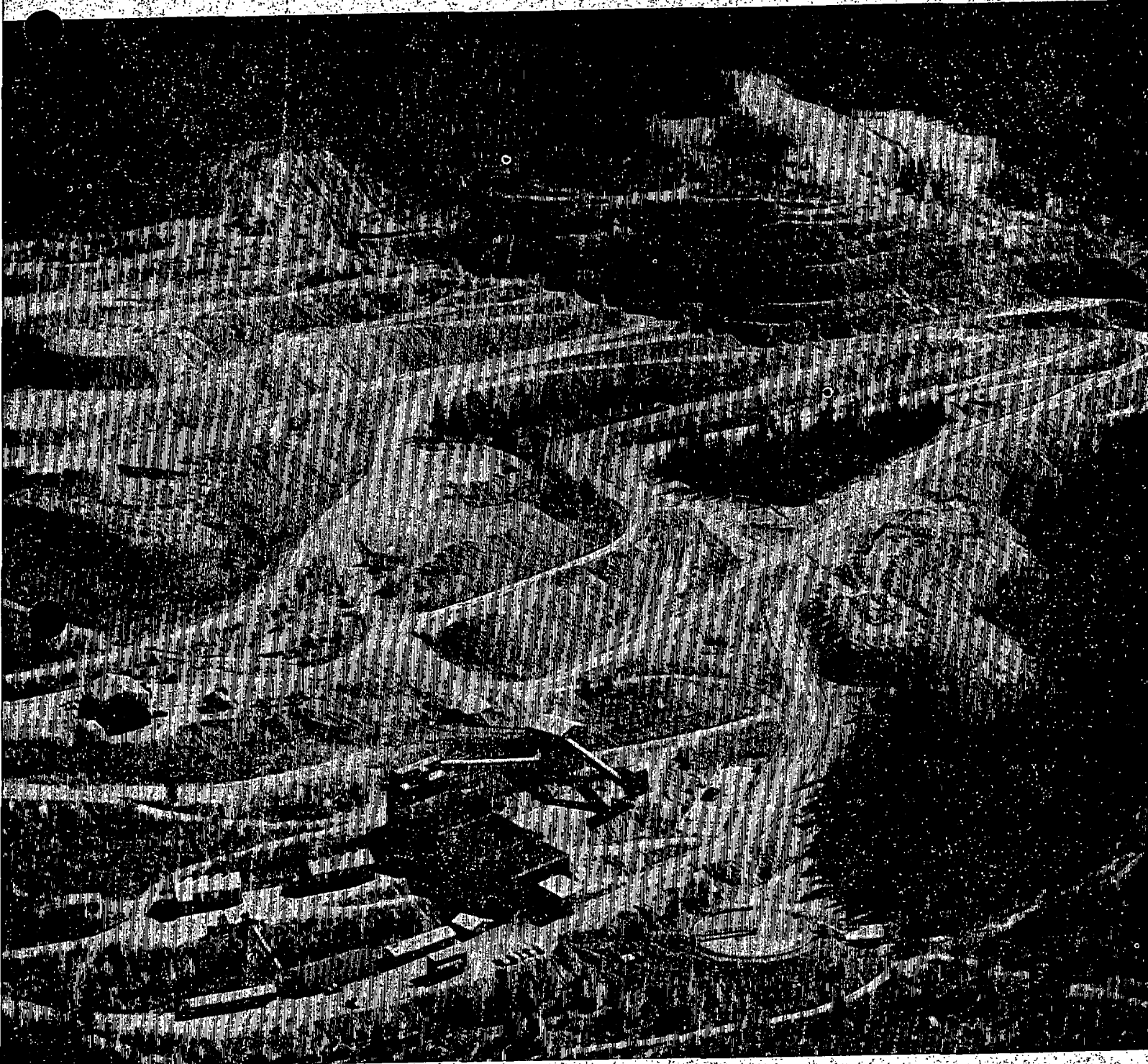
Recent geological theory is that the zinc zone of Stevens and Pend Oreille counties is shaped like an inverted "X," with the north point at the H. B. mine of Consolidated Mining and Smelting near Salmo, B. C., the junction at the Reeves-MacDonald, with one stem extending up Pend Oreille river past Metaline, Wash., the other stretching southwest past Leadpoint to the Van Stone, which is 26 miles from the Reeves-MacDonald.

SPOKESMAN-REVIEW
6/24/50

←

COLVILLE STATESMAN & EXAMINER
4/15/66

Van Stone Mine, Area's Largest Lead-Zinc Operation



Stevens County's largest lead-zinc operation is the Van Stone in the Deep Creek area between Colville and Northport. Operated by American Smelting and Refining Co., was reopened as the price of lead and zinc climbed to a favorable operating

level. It had been closed for several years. It is an open-pit operation and the mill, lower left in the photo, is capable of running high tonnage each day. (Northern photo)

Mine Tailings Dam Breaks; Onion Cr. Damage Heavy

Residents along Onion Creek are cleaning up the debris that caused a flood last weekend after a tailing pond at Van Stone Mine broke loose about 1 a.m. Friday.

Stevens county road department crews battled to save the main route in the area but the water eventually washed away most of the road fill behind which the water became trapped.

The flood scene is about 14 miles north of Colville. There was no report of injury or loss of livestock.

The initial pressure of the loosened water destroyed a pickup truck and garage of Joe Kowango, ruined water pumps of Peter Rotar, Mrs. Emma Lotze and Roy Guertin, demolished three bridges, swept away power and telephone poles and caused severe erosion damage.

Stream Widened

The raging water widened Onion Creek between 20 and 30 feet.

As the water swept downstream, it brought with it tons of mud and other debris. The water finally was trapped behind the county road fill, rising up to 40 feet by the Guertin farm. The debris plugged the main conduit and workers were unsuccessful in trying to dynamite an opening.

Meanwhile temporary drainpipes were laid in an attempt to save the fill and lessen the danger of flooding farm buildings in the immediate path of the water. However, the pressure eventually prevailed and most of the fill gave way. As the water went down, it left a huge pile of logs and snags by the Guertin place, where a small cabin was also destroyed.

Graveside services for Mrs. Margaret Olmstead, former Deer Park resident, will be Tuesday at the Loon Lake Cemetery with the Hennessey Funeral Home in charge.

Mrs. Olmstead, who homesteaded at Deer Park with her husband in 1905, died Saturday in Seattle.

The Rev. John P. O'Brien of Davenport, Wash., will officiate Tuesday. Funeral mass was said Sunday in Seattle.

Mrs. Olmstead moved from the Deer Park area in 1930 but is survived in the area by one of four daughters, Mrs. Fred Kotzian, Lone, Wash.; and one or two sons, Charles Olmstead, Spokane.

Died This Morning Enroute to Town

Clifford Vanderpool, 58, Gas Hills resident was pronounced dead upon arrival at Memorial hospital early this morning. The man was brought to Riverton by the Lucky Mc ambulance after he suffered a heart attack about 1:30 a.m.

Mrs. Virgil Freel, Lucky Mc camp nurse, who accompanied the ill man and his wife to town said Mrs. Vanderpool had summoned her about 1:30 this morning when her husband became acutely ill. Mrs. Vanderpool told Mrs. Freel her husband had been ill all the previous evening, but that his condition had worsened. Mrs. Freel advised the man be brought in to the hospital immediately, but he died before their arrival here.

Mr. Vanderpool had been ill for the past several weeks, and a physical checkup a few days ago revealed that he was suffering from ulcers and diabetes.

An employee of Utah Construction, Mr. Vanderpool was a heavy equipment operator. The family lived at Lucky Mc Camp.

Surviving are his wife, Vera and three children, Jim, Walter Dale and Howard.

The body is being sent to Coeur d'Alene, where final arrangements are pending.

*Mary
hope this will answer
the questions. Its out
of Stoltzman Examiner
April 26, 1961
Chuck Bullick*

Crews Fight Onion Creek Flood Area

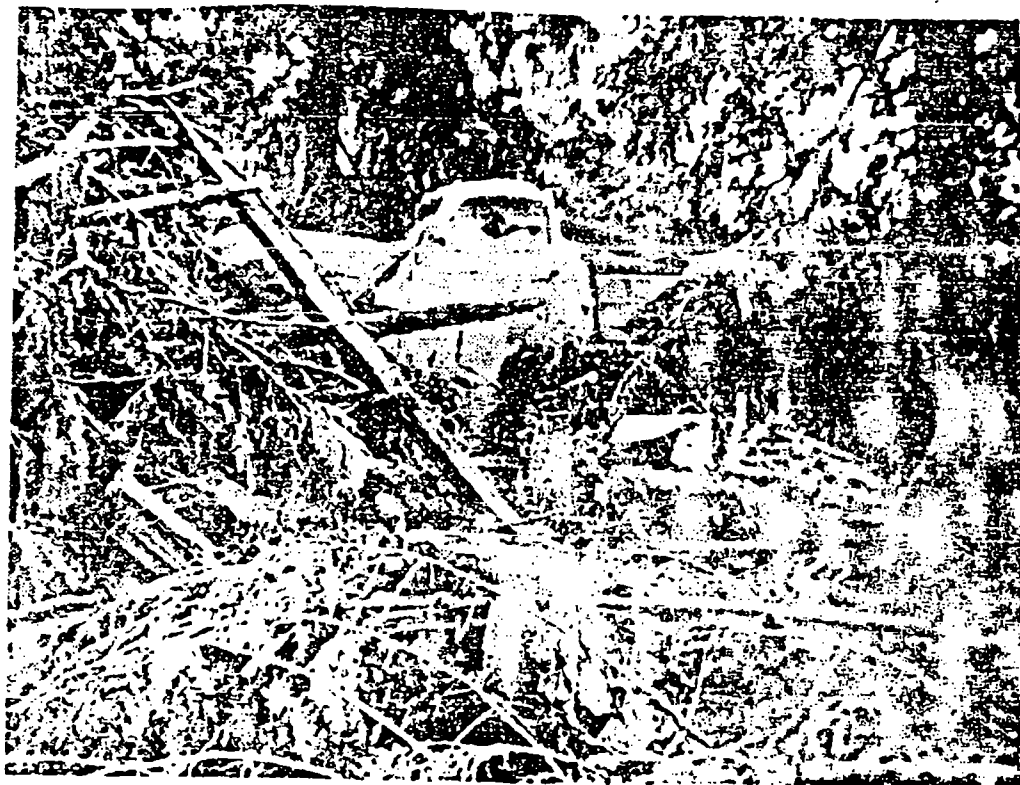
COLVILLE, Wash. — Stevens County road crews were determined to clear a clogged culvert on Onion creek which has caused considerable flooding about 17 miles north of here.

"We blasted three times Saturday and nine times Friday. We had it cleared for 45 minutes and then it plugged again with logs, gravel, and all sorts of debris including a car body," said Lee Strand, county commissioner.

The area flooded Thursday night when an unused earth-filled water dam, reportedly owned by the American Smelting & Refining Co., overflowed and took the top of the abandoned fill. The dam was at the old Van Stone Mine.

Flooding waters inundated a county bridge, a pickup, a garage and several well pumps.

"We'll be blasting again today and if that doesn't work, we'll start working on a new channel around the north end of the dam."



Flash Flood Spreads Destruction
Pickup on Joe Knowland farm battered by water.

WMN 10/2/70

Asarco Reveals Van Stone Study

During 8½ years of operation through 1969, about 86,000 tons of zinc and 10,500 tons of lead were recovered from the Van Stone open-pit mine in northern Stevens County, Wash.

Approximately 7½ million tons of rock and ore were removed from one large pit and one small pit, with 41 per cent being classified as ore.

Diamond drilling, started last fall, has revealed additional bodies of mineralized rock that, if mineable, will prolong the mine's life.

This is disclosed by S. Norman Kesten, chief geologist for American Smelting and Refining Co.'s Northwestern Mining Department at Wallace, in a new bulletin, "Lead-zinc Deposits in the Kootenay Arc," published by the Washington State Division of Mines and Geology.

The mine's mineral deposits

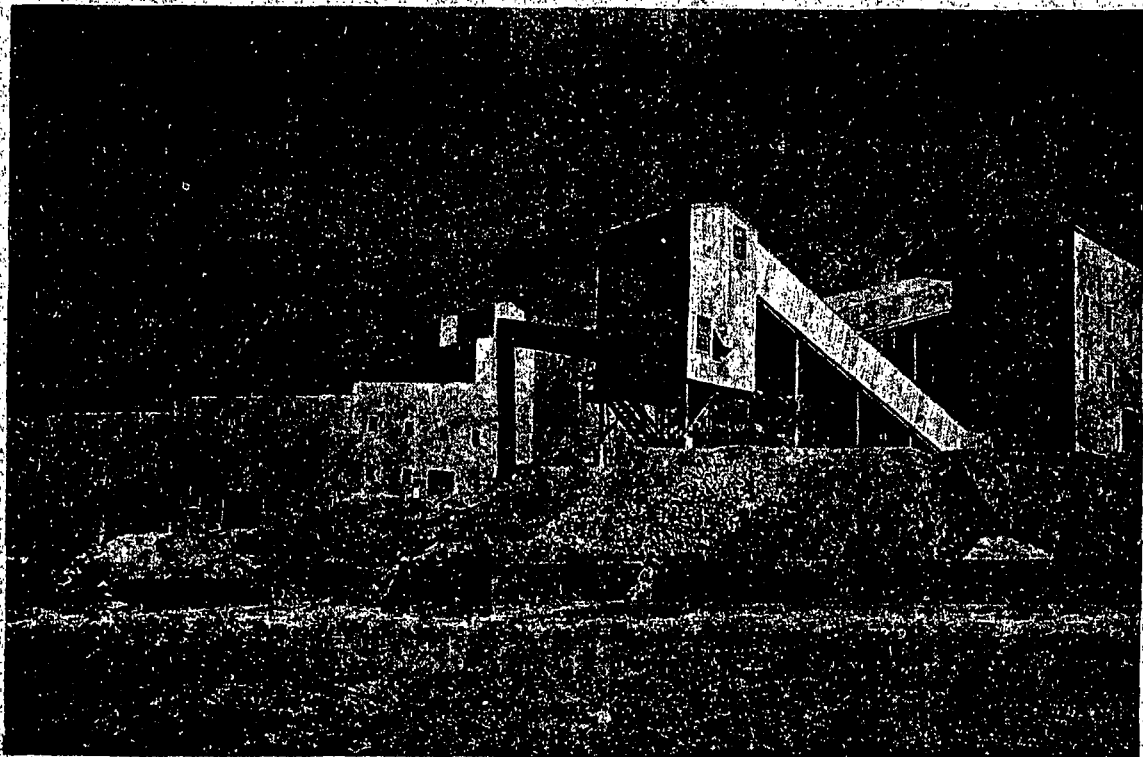
occur as replacement-type deposits in carbonate rocks, Kesten wrote, but vein-type ore bodies are found to a lesser extent in noncarbonaceous rocks. Bedrock is covered by a thick mantle of outwash material from ancient glaciers.

Surface indications of the Van Stone deposit are said to have been found before World War I. The property was explored by Hecla Mining Co. in the mid-1920s. Willow Creek Mines did some diamond drilling and drove two short adits through the ore bodies between 1938 and 1942.

American Smelting and Refining acquired control in 1950, did geophysical and geochemical work and considerable diamond drilling and constructed a flotation concentrator capable of milling more than 30,000 tons of ore a month.

Production began in 1952, but low metal prices caused shut-downs from 1957 to 1964, and from 1967 to 1969.

Van Stone Mine and Mill Is Purchased by Callahan



The Van Stone 1250-ton-per-day lead-zinc mill, built in 1954, was included in Callahan's recent Van Stone property purchase from the Sumerian Mining and Development Corp. of Spokane.

Nandor Szombathy, president of Sumerian Mining and Development Corp. of Spokane, has announced the sale of the Van Stone mining property to Callahan Mining Corp.

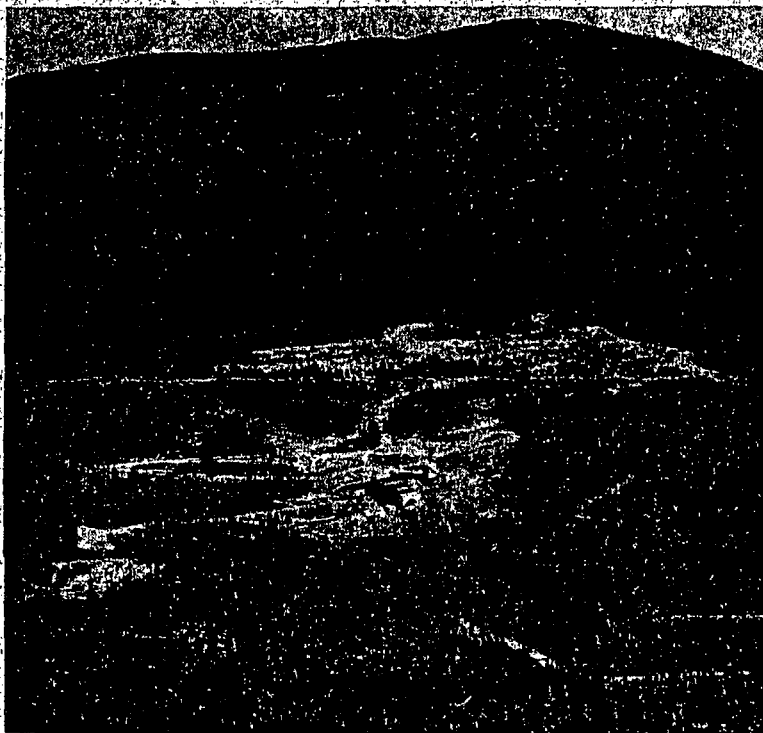
Sumerian Mining acquired the property from American Smelting and Refining Co. Feb. 2, 1971. Included in the transaction was the 1250-ton-per-day lead-zinc mill, all open-pit mining equipment, 1284 acres of land and mineral rights.

On April 2, Mr. Szombathy reported, an agreement was reached between Sumeria and Callahan in which Callahan took over the property for exploration purposes.

Szombathy reported he is very pleased with the working agreement with Callahan, and hopes that the exploration program will not only be beneficial for Callahan, but will mean economic gain for the community and surrounding area.

The Van Stone mine is located 15 miles north of Colville, Stevens County, Wash.

The district was found prior



View of Van Stone property showing mill and open-pit lead-zinc mine which was operated by American Smelting and Refining Co. from 1952 to 1970.

to World War I, and the Van Stone deposit was first explored by Hecla Mining Co. in the 1938 and 1942.

In the middle Twenties, Willow Creek Mines did some diamond drill-

(Continued on Page 4)

more regulations.

WMA 5/15/75
**Callahan Report Says
Work Showing Promise
At Van Stone Open-Pit**

Surface diamond drilling at Callahan Mining Corp.'s Washington Zinc Unit in the first three months of this year "continued to intersect attractive zinc-lead mineralization," the New York-based firm says in its first-quarter report.

The Washington Zinc Unit is Callahan's designation for the old Van Stone open-pit mine northeast of Colville. The mine and surface plant, including a 1,000-ton-per-day mill, were purchased by Callahan in 1971 from ASARCO, which said it had exhausted ores available for open-pit mining.

"Rehabilitation of the portal and declined adit to facilitate underground work has been completed and drifting and drilling to test ore potential in the increased zone of mineralization is under way," the report says.

The project will be funded by Callahan's partners until completion of work commitments by them in May or June, it says. The partners are United States Borax and Chemical Corp. and British Newfoundland Exploration Ltd.

5/16/75
**VAN STONE
DRILLING APPEARS
FAVORABLE**

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WMA 6-10-75
**CALLAHAN CORP. BUYS
VAN STONE PROPERTY**

**Is Open Pit Operation
In Colville Section
Of Washington**

The Northwest District Office of Callahan Mining Corporation here announced Thursday that the company has purchased the property located 20 miles northeast of Colville, Wash., which was operated by the American Smelting & Refining Company as the Van Stone Mine, an open-pit lead-zinc operation during the period from 1952 to 1970.

In early 1971 when pit reserves ran out, Asarco sold the property to the Samarian Mining Company of Spokane which assigned its purchase rights to Callahan, the announcement said.

Examination of the property by Callahan geologists and Dr. Neil Campbell, Spokane consultant, indicate that the deposit may be mineable by low-cost underground mining methods, the company said, adding that a program to further examine the possibilities is now under way.

Callahan Mining has its headquarters in New York and is a major owner of the rich Galena mine in this area. It is also spearheading development of the Caladay project south of Wallace.

Joseph T. Hall, New York, is Callahan's president.

Washington

Callahan Mining Co.'s Washington Zinc Unit has been placed in development status following evaluation of underground exploration work. The underground program was undertaken to test ore potential in a mineralized zone that was increased by surface diamond drilling. Callahan's partners are US Borax and Chemical Corp. and Brinco Ltd., both subsidiaries of Rio Tinto Corp. Ltd.

The Washington Zinc Unit is the old Van Stone zinc-lead property in northern Stevens County, operated for a number of years by Asarco as an open-pit mine. Callahan Mining discovered extensions of the mineralized zone mined by Asarco.

WMA JAN '76

Callahan Mining Corporation

annual report 1975

Washington Zinc Unit

Under Callahan management, an underground program entailing 800 feet of drifting and 6400 feet of diamond drilling was completed during 1975 at the Washington Zinc Unit near Colville, Washington. Results of this work confirmed mineralization located by prior surface drilling and brought decision near mid-year to advance the property to development status. Sufficient zinc-lead tonnage has been indicated to warrant production studies up to 2000 tons per day.

Callahan still retains ownership of the 1000 ton per day mill on the property. Discussions are under way between Callahan and its partners, United States Borax and Chemical Corporation and a subsidiary of Brinco Limited, as to an appropriate basis for dedicating this mill to the project.

Funds required for 1975's work program were supplied by Callahan's partners until completion in May of work commitments which earned them jointly a 51% interest in the property. Callahan is now funding its 49% share of expenditures.

Work begins at Stevens County mine

By Bert Caldwell
Staff writer

A Canadian company has begun construction on a Stevens County mine that will be the first lead-zinc producer in Washington in more than 13 years.

Equinox Resources Ltd. President Ross Beaty said Tuesday he expects mining at the Van Stone property to start in February, reaching full production of 1,100 tons of ore per day sometime in May.

The mine will employ 65 in the area, which has suffered with the downturn in the timber industry, he said.

Although some workers have been on the site since August, Beaty said Equinox could not commit to the project fully until financing was completed, a threshold just crossed.

He said a European syndicate put \$4 million into the Van Stone, with an unidentified source providing a loan for another \$2.35 million. The syndicate receives 70 percent of net revenue, Equinox 30 percent after the loan is repaid, he said.

Once the syndicate recovers its \$4 million, the share of those investors drops to 40 percent, Beaty said.

"Financing a job like this in this market is difficult," he added, referring to recessionary pressures that have pushed metal prices lower.

Beaty said the project would not have been possible without favorable terms negotiated with the Cominco Ltd. smelter 25 miles north of the mine at Trail, British Columbia, and the cooperation of state and local officials who made the permitting

process a "pleasant" one.

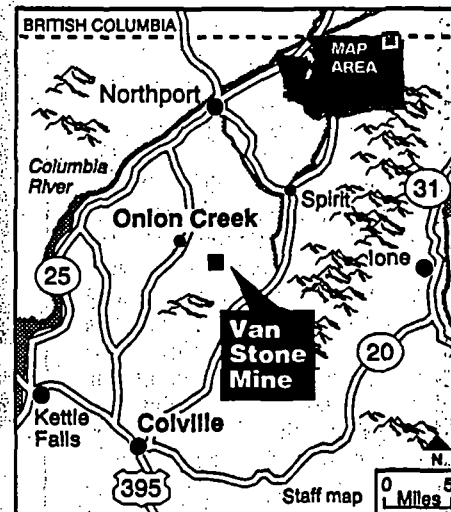
Another key, he said, were the facilities already at the mine, particularly a mill the company purchased for \$600,000 but worth as much as \$10 million if it had to be replaced. There is also water, an electrical substation and a road, he said.

The mine itself is an open pit worked briefly in 1970 by Asarco. Beaty said Callahan Mining Co., U.S. Borax & Chemical Corp. and Consolidated Brinco Ltd. subsequently bought the property, but never agreed to restart mining despite investing \$3 million in exploration at the site.

The three partners did locate more ore below the pit, which Beaty said Equinox will tap by driving adits at each end.

Equinox bought the property in April

Please see EQUINOX: A9



SOURCE: *SPOKANE SPOKESMAN-REVIEW*

DATE: *NOVEMBER 28, 1990*

COMMODITY SECTION: *NON-FERROUS*

STATE ARTICLE CONCERNS: *WASHINGTON*

(MORE)

Equinox

for a little more than \$1 million. The Van Stone will be the first mine the five-year-old company has developed on its own.

Equinox also has a 24 percent interest in Cominco's Buckhorn mine in Nevada, and will start construction on a California gold project, the Zenda, next year. The company's stock trades on the Toronto and Vancouver stock exchanges.

Beaty said the Van Stone could herald a rebirth of base-metals mining in northeast Washington, where no such mine has operated since the shutdown of the Pend Oreille Mine north of Metaline Falls in the mid-1970s.

That property was also purchased by another Canadian company earlier this year, but no plans have been announced to restart mining.

"The area has been very much overlooked," said Beaty. "I'm convinced there will be other opportunities."

Nancy Joseph, a geologist for the Washington Department of Natural Resources Division of Geology, said Equinox will do reclamation at the Van Stone not required of previous owners. "Things will be taken care of that have never been done before," she said.

"When we finish the mine it will look a lot better," added Beaty, who said the mine could operate for eight years on known reserves. Those will probably be expanded with additional exploration work, he said.

The ore contains 5.7 percent zinc, 1.1 percent lead. The mining contractor at the site is Blattner & Sons, a Minnesota company.

SOURCE: SPOKANE SPOKESMAN-REVIEW

DATE: NOVEMBER 28, 1990

(END)

Equinox Finalizes Purchase Of The Van Stone Zinc Property

VANCOUVER, B.C. — Equinox Resources Ltd. announced that it has now paid the final US\$650,000 of the US\$1,050,000 purchase price to the vendors of the Van Stone zinc property located in northeastern Washington state, 25 miles south of Cominco's zinc smelter at Trail, B.C. and accordingly now holds 100% title to the mine, mill, land and other assets on the property.

Equinox President Ross J. Beaty said that the company is in advanced discussions with a party which, if completed and combined with bank financing also under discussion, will provide US\$9 million for all capital costs required to place the Van Stone mine into commercial production. The party has advanced C\$700,000 to Equinox as a good faith deposit to secure the project, which funds were used by Equinox to make the final balloon property payment described above.

Subject to completing the proposed financing, construction is planned to commence in August with commercial production of 34,000 tons of zinc concentrate and 5,400

mining record 7-18-90

tons of lead concentrate annually beginning in early 1991. Existing infrastructure includes a 1,100 ton-per-day mill, office, tailings, roads, power, water and other facilities.

The company's address is 900-625 Howe Street, Vancouver, B.C., Canada V6C 2T6, (604) 684-1175.

Northern Miner 7-23-90

Equinox buys 100% of Van Stone mine

VANCOUVER — The Van Stone zinc project in northeastern Washington is now owned 100% by Equinox Resources (TSE). The property is 25 miles south of Cominco's zinc smelter at Trail, B.C.

Equinox recently paid the final US\$650,000 of the US\$1.05-million purchase price for the property, which includes a former-producing mine and 1,100-ton-per-day mill and other assets.

The company is currently arranging financing to raise about US\$9 million for all capital costs required to place the mine into commercial

production. An undisclosed party, which advanced \$700,000 to Equinox to make the final property payment, is reported to be willing to provide funds for capital costs to augment bank financing (which is also under discussion).

Subject to completing the financing, Equinox plans to begin construction in August, with commercial production of 34,000 tons of zinc concentrate and 5,400 tons of lead concentrate annually beginning early next year.

The Van Stone property, which can be reached by road, is near power, water and other facilities.

RECEIVED

JAN 07 1991

Equinox plans Van Stone startup in 1991 MINING AND EARTH RESOURCES

VANCOUVER — With financing for the Van Stone zinc mine now secured, owner Equinox Resources (TSE) is gearing up to begin production early next year.

The financing package totalling US\$6.35 million was provided by a syndicate of European investors and is made up of a US\$2.35-million project loan and an investment of US\$4 million.

Under the terms of the financing agreement, the syndicate will receive 70% of the mine's net revenue after the project loan is retired and until payback of the US\$4-million investment. After payback, Equinox will retain a 60% interest while the syndicate holds the balance.

The Van Stone is in northeastern Washington State about 25 miles south of Cominco Ltd.'s smelter at Trail, B.C. Equinox bought the mine, which includes a 1,100-ton-per-day mill and related infrastructure, in late 1989 for US\$1.05 million.

Minable open pit and underground reserves are estimated at 2.55 million tons grading 5.7% zinc and 1.1% lead.

Equinox recently completed the construction of a new tailings pond, and a smelter contract has been signed with Cominco. The company has also hired a contract miner which has started pre-stripping.

The mining plan calls for an open pit operation for the first two years of operation followed by an underground operation for the remaining six years of the present reserve life. Operating costs for the open pit phase are estimated at below US35¢ per lb. of zinc produced.

SOURCE: THE NORTHERN MINER

DATE: DECEMBER 3, 1990

COMMODITY SECTION: NON FERROUS

STATE ARTICLE CONCERNS: WASHINGTON

Approved
11/10/91 by NE
bank letter
\$ 95,000
credit!

Bitterroot Options Washington Zinc Properties to Northport

NORTHPORT, WA — Bitterroot Resources Ltd. announced that it has signed an agreement with Northport Minerals Ltd. of Toronto, Ontario, to option up to a 60% interest in Bitterroot's zinc-lead property holdings in the vicinity of Northport, Washington.

Northport Minerals owns the 1,500 ton-per-day Calhoun lead/zinc mill which is located in the heart of Bitterroot's land

holdings and will focus on developing ore reserves on Bitterroot's properties which can be mined and processed as soon as possible. The Calhoun Mill treated 1,200,000 tons of lead-zinc ore from the Calhoun Mine from 1963 to 1968 and was last operated from 1982 to 1984 by Combustion Engineering. Bitterroot holds the mineral rights to the Calhoun Mine and several other known lead-zinc occur-

rences in the vicinity.

Bitterroot Director Ross Beaty said that the agreement provides that Northport will fund 100% of Bitterroot's property exploration and development expenditures and property holding costs through to commencement of commercial production. Bitterroot will receive 10% of net operating cash flow until Northport has recovered its costs less \$100,000 and will then receive 40% of operating cash flow.

Northport will manage milling operations and Bitterroot will manage exploration and mining operations. Northport is presently rehabilitating the mill and seeking operating permits to enable commercial production.

Equinox Resources holds a 52% interest in Bitterroot and will provide management assistance through Equinox's operation of the nearby Van Stone zinc mine.

Bitterroot's address is Suite 900 - 625 Howe Street, Vancouver, BC Canada V6C 2T6, (604) 684-1175.

SOURCE: THE MINING RECORD

DATE: DECEMBER 5, 1990

COMMODITY SECTION: NONFERROUS

STATE ARTICLE CONCERNS: WASHINGTON

Equinox plans Van Stone startup in '91

VANCOUVER — With financing for the Van Stone zinc mine now secured, owner **Equinox Resources** (TSE) is gearing up to begin production early next year.

The financing package totalling US\$6.35 million was provided by a syndicate of European investors and is made up of a US\$2.35-million project loan and an investment of US\$4 million.

Under the terms of the financing agreement, the syndicate will receive 70% of the mine's net revenue after the project loan is retired and until payback of the US\$4-million investment. After payback, Equinox will retain a 60% interest while the syndicate holds the balance.

The Van Stone is in northeastern Washington State about 25 miles south of Cominco Ltd.'s smelter at Trail, B.C. Equinox bought the mine, which includes a 1,100-ton-per-day mill and related infrastructure, in late 1989 for US\$1.05 million.

Minable open pit and underground reserves are estimated at 2.55 million tons grading 5.7% zinc and 1.1% lead.

Equinox recently completed the construction of a new tailings pond, and a smelter contract has been signed with Cominco. The company has also hired a contract miner which has started pre-stripping.

The mining plan calls for an open pit operation for the first two years of operation followed by an underground operation for the remaining six years of the present reserve life. Operating costs for the open pit phase are estimated at below US35¢ per lb. of zinc produced.

SOURCE: THE NORTHERN MINER

DATE: DECEMBER 3, 1990

COMMODITY SECTION: NON FERROUS

STATE ARTICLE CONCERNS: WASHINGTON

12/28

Construction Commences at Van Stone Zinc Mine

VANCOUVER — Equinox Resources Ltd. announced that mine production has commenced at its Van Stone Zinc Mine project under a US\$6.35 million financing package arranged through a conventional project loan for US\$2.35 million supported by a corporate guarantee, and a project investment for US\$4 million by a syndicate of European investors. The syndicate will receive 70% and Equinox will receive 30% of net mine revenue after the project loan is retired and until payback of the syndicate's \$4 million investment. Thereafter, the syndicate will receive 40% and Equinox will receive 60% of net mine revenue.

Equinox President Ross J. Beaty said that the mine, located in northeast Washington State, 25 miles south of Cominco's zinc smelter at Trail, B.C., will be operated by Equinox at a rate of 1,100 tons of ore per day for two years as an open pit and thereafter for six years as an underground mine. Mineable open pit/underground reserves are 2,550,000 tons grading 5.7% zinc and 1.1% lead. Excellent exploration potential exists for extending the mine life.

Existing infrastructure includes a 1,100 ton-per-day mill, power, water, roads, office and other facilities, Beaty said. Construction of a new tailings dam has been completed. A favorable smelter contract has been signed with Cominco Ltd. for smelting at the nearby Trail smelter. A mining contract has been signed with a major mine contractor and pre-stripping has commenced at a rate of approximately 35,000

tons per day.

Start-up is scheduled for February, 1991 with average annual production of 32,900 tons of zinc concentrate and 5,300 tons of lead concentrate. Beaty said that breakeven operating costs are estimated to be below \$0.35 per pound zinc for the open pit phase. The mine will be the first base metal mine in Washington State in more than 13 years.

The Van Stone Mine will be Equinox's second producing mine and will provide earnings potential from both gold and base metals. The 100%-owned Zenda gold property in California is planned to be a third producer upon completion of mine financing. Continuing successful results from the advanced J&L and Rosebud exploration projects held under joint ventures with Cheni Gold Mines and LAC Minerals, respectively, may yield production decisions in late 1991. Equinox also maintains active exploration joint ventures with Amax Gold, Denison Mines, U.S. Borax and several junior resource companies.

The company's address is 900 - 625 Howe Street, Vancouver, BC V6C 2T6, (604) 684-1175.

Van Stone
mine
page 2

EQUINOX

RESOURCES LTD.



1990 ANNUAL REPORT

PROPERTY SUMMARY

Production

Buckhorn Gold Mine, Nevada 24%
Van Stone Zinc Mine, Washington 60%

Development

Zenda Gold Project 100%

Advanced Exploration/Prefeasibility Stage

Rosebud, Nevada (gold) 49%
J&L, B.C. (gold, zinc, lead, silver) 40%

Exploration

Queen, Idaho (gold) 100%
Republic Graben, Washington (gold) 100%
Mineral Hill, Nevada (gold) 100%
Basin Project, Nevada (gold) 100%
Maude Lake, Ontario (gold) 12%
Kamma, Nevada (gold) 100%
Wildrose, Nevada (gold) 100%
Gros, B.C. (gold) 60%
Benson Lake, B.C. (gold) 100%
Argo-Langara, B.C. (gold) 100%
Loot, B.C. (gold) 100%
Axelgold, B.C. (gold) 25%
R.M. Nickel, Quebec (copper, nickel, PGM) 20%
Muskox, NWT (platinum) 40%
Lac des Iles, Ontario (platinum) 40%
Yellowknife, NWT (lithium) 100%
Great Basin, USA (boron) 100%
Nina, B.C. (zinc) 40%
Cay, B.C. (zinc) 100%

Associated Public Companies

Bitterroot Resources Ltd. (52% Equinox)
VSE listed
Owns lead-zinc properties, Washington
Pan American Minerals Corp. (21% Equinox)
TSE and VSE listed
Owns J&L property, B.C.

Front cover photos: Van Stone Mine

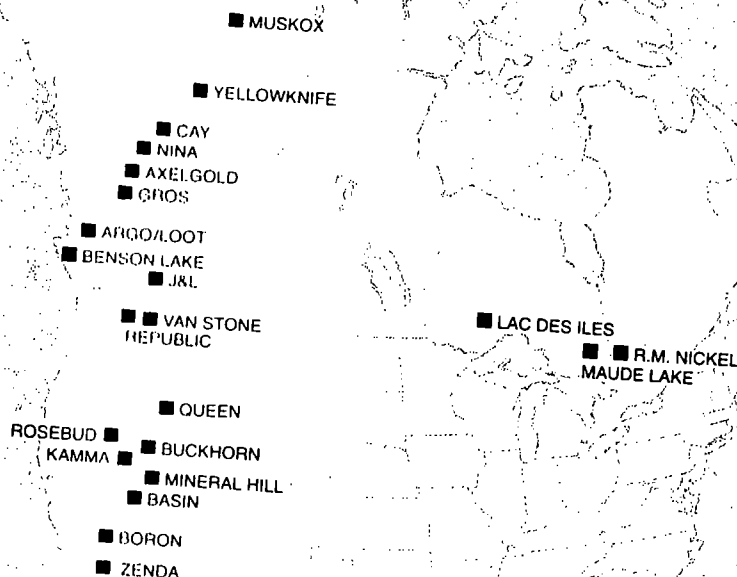
Cominco 76%
U.K. Investors 40%

LAC Minerals 51%
Cheni Gold Mines option to earn 60%

Consolidated Parklane option to earn 51%
Amax Gold option to earn 60%
Denison Mines option to earn 50%
Maude Lake Gold Mines 80%
X-Cal Resources option to earn 50%
Northair Mines option to earn 50%
Cominco 40%

Imperial Metals 51%
Minnova 50%
Technigen 60%
Technigen 60%

US Borax & Chemical Corp. option to earn 70%
Daren Resources 60%



PRESIDENT'S REPORT TO SHAREHOLDERS

1990 was a year of excellent growth for Equinox, highlighted by the following achievements:

- Acquisition of Van Stone Zinc Mine, Washington State, completion of positive feasibility study, raising of US\$6.35 million construction budget and commencement of mine construction.
- Successful \$0.5 million pilot plant program on J&L gold-zinc property, B.C., signing of agreement with Cheni Gold Mines (controlled by Government of France) and commitment by Cheni to fund \$3 million development program at J&L.
- Continuing high grade gold results in drilling at Rosebud property, Nevada and advancement of property to pre-feasibility stage with mineral resource to date of approximately 640,000 ounces.
- Attainment of all permits to enable start of mine construction at 100% owned Zenda gold property, California.
- New exploration joint ventures signed with US Borax and Chemical Corporation, Denison Mines, Amax Gold, Consolidated Parklane Resources, X-Cal Resources, Northair Mines and Northport Minerals.

Equinox's corporate goals are to develop mining operations for cash flow and earnings growth, and to carry out active mineral exploration programs for capital growth through new discoveries. In 1991, Equinox will have two mines in production (Buckhorn and Van Stone), a third possibly under construction (Zenda) and two more likely within the near future (J&L and Rosebud). The discovery of the Rosebud gold deposit and new zinc zone at J&L are examples of Equinox's success in building assets through exploration.

Poor equity markets since 1987 have taken a heavy toll on many junior resource companies. Equinox's record of steady asset growth and a consistent

ability to raise capital for its projects during this period has been due both to conservative financial management and to a diversified asset base. In 1991, minimum expenditures on properties in which Equinox has an interest will be in excess of \$11,000,000 of which Equinox will be directly responsible for only \$500,000. This has limited the need to raise capital in weak markets thus lessening share dilution, while also allowing numerous projects to be developed at all stages from exploration to production. Including 1991 expenditures, more than \$41,000,000 has been expended since 1985 on properties in which Equinox has an interest.

Teck Corporation, Placer Dome Inc. and several large Canadian and U.K. pension and mutual funds became new shareholders during the year and I am pleased to welcome them to the Company.

Equinox's growth in 1990 is the result of many factors, including good luck. I would, however, like to express my appreciation to Equinox's group of outstanding employees, to Equinox's joint



Senior Management:
John Wright, Ross Beaty, Pierre Massé

venture and investment partners and to the shareholders, for their assistance and support in building the Company.

Ross J. Beaty,
President
January 28, 1991

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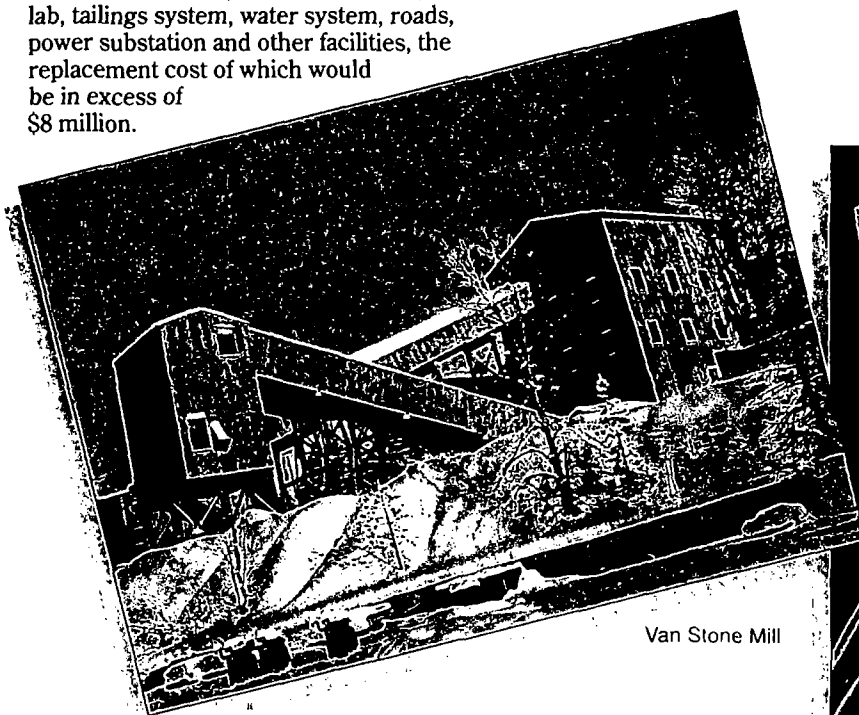
VAN STONE MINE, WASHINGTON

In April 1990, Equinox exercised its option to purchase a 100% interest in the Van Stone Mine for US\$1.1 million, following completion of a positive feasibility study financed with the assistance of Cominco Ltd. Located in northeastern Washington State only 38 km south of Cominco's large lead and zinc smelter at Trail, B.C., the mine was operated by Asarco Limited from 1952 to 1970 as an open pit zinc mine, was the subject of a \$3 million feasibility study from 1970-79, by Callahan, US Borax and Brinco, then lay dormant until purchased by Equinox. Assets purchased included an 1100-ton per day flotation mill in excellent condition, office warehouse, lab, tailings system, water system, roads, power substation and other facilities, the replacement cost of which would be in excess of \$8 million.

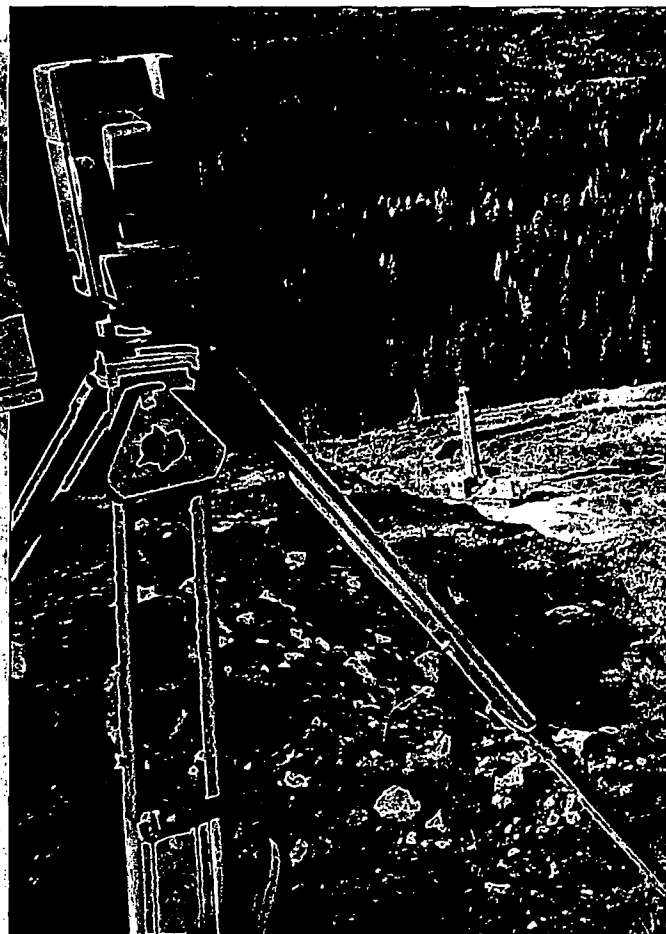
Following the successful raising of US\$6.35 million for capital costs to rebuild the mine — \$4 million from a syndicate of European investors who now hold a 40% interest in the mine, and \$2.35 million from a project loan — mine construction commenced in October, 1990. At present, mill start-up is scheduled for mid-February, 1991 with full scale production at a rate of 1100 tons per day in May. Mining will be by open pit for the first 3 years and thereafter by bulk underground methods. Concentrates will be smelted at Cominco's Trail smelter at an annual rate of 34,000 tons of zinc concentrate and 5,400 tons of lead concentrate.



Hans Geertsema, Van Stone Mine Manager



Van Stone Mill



Van Stone
Open Pit and
environs

BUCKHORN GOLD MINE, NEVADA

Existing ore reserves are 2,554,000 tons grading 1.09% lead and 5.66% zinc, sufficient for more than 7 years of production. Exploration potential to expand these reserves is excellent.

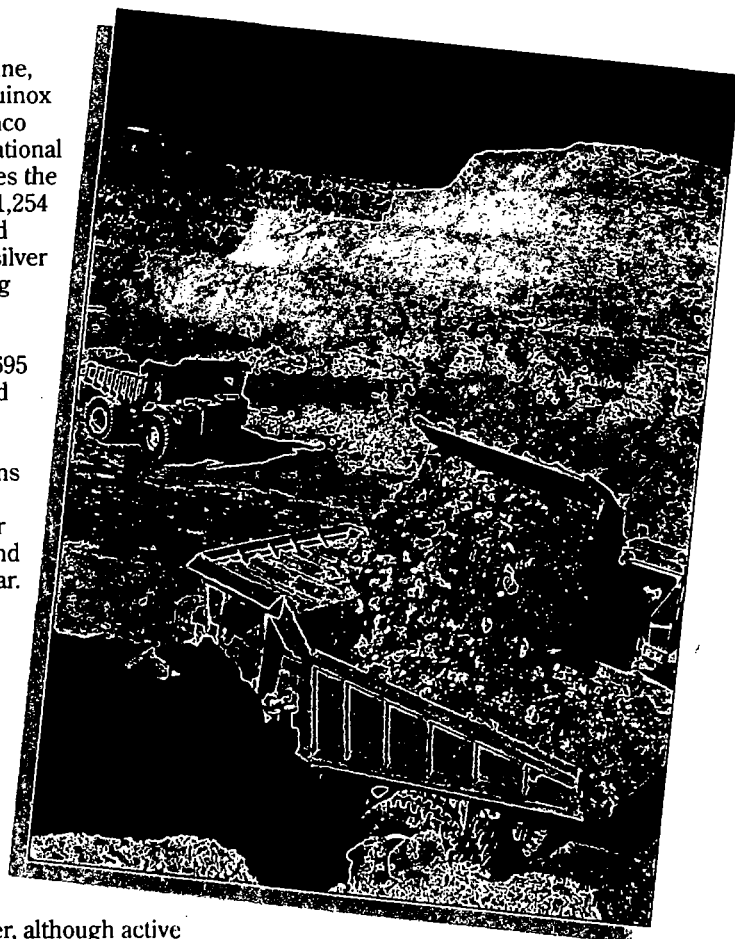
The ability of Equinox to commence production at Van Stone only 4 months after starting mine construction and 10 months after purchasing the property is a tribute to all those involved in the project: Equinox's senior operating management, the 65-person mine staff, the open pit contractor D.H. Blattner & Sons, local and regional suppliers and contractors, local and State government authorities and parties providing mine financing, including our European partners and Cominco Ltd. Equinox acknowledges all of these contributions with gratitude.

The Buckhorn Mine, owned 24% by Equinox and 76% by Cominco Resources International Ltd. which operates the mine, produced 21,254 ounces of gold and 77,328 ounces of silver for the year ending October 31, 1990.

These figures compare with 30,695 ounces of gold and 96,912 ounces of silver for 1989. A total of 847,803 tons grading 0.0526 ounces of gold per ton were mined and crushed in the year.

Due to many factors such as poor recoveries, lack of water for leaching, higher than expected operating costs and lower gold prices, the Buckhorn Mine operated at a loss for most of the year. Moreover, although active exploration continues on the large 70 square mile property and potential remains for discovery of new gold deposits, exploration results during the year were negative and reserves were depleted faster than they could be replaced by new discoveries.

Proven reserves at January 1, 1991 were 204,000 tons grading 0.056 ounces of gold per ton. Mine production is planned to continue until May with leaching continuing until late 1991. Although the Buckhorn Mine's poor performance in 1990 accounts for most of Equinox's net loss for the year, Equinox's net revenue flow is expected to improve in 1991 when gold production will occur without attendant mining costs for much of the year.



Two assets exist at Buckhorn which offer long term value after mining ceases. Firstly, approximately 1,500,000 tons of sulphide gold mineralization grading 0.11 ounces gold per ton occur beneath the open pits and although this material is refractory and cannot be heap leached, the resource will be economically recoverable in the future at higher gold prices. Secondly, the potential on the large property is good for deep high grade gold deposits such as the small West Sinter deposit found in 1987 and other much larger deposits found in the region. Exploration for these deposits will continue in 1991 and in subsequent years.



DIRECTORS



**Ross J. Beaty, M.Sc., LL.B.,
President**



**Pierre Massé, C.A., B.Eng.,
Chief Financial Officer**



**Michael J. Maloney,
Private Investor**



**W.J. Coulter,
Chairman, Interaction Resources Ltd.**



**John H. Wright, B.Sc., P.Eng.,
Manager, Operations**



**W.W. Charlton,
President, Charlton Securities Limited**



**Hugh Mogensen,
Private Investor
Formerly president, Inverness
Petroleum and Campbell Resources**

MANAGEMENT

By the end of 1990, 110 people were engaged on Equinox-managed projects, of which 33 were direct employees. These numbers are expected to grow again in 1991. Equinox strengthened its senior technical team in the year with the appointment of Mr. Hans Geertsema as Mine Manager at Van Stone and Mr. Mark Bailey as U.S. Exploration Manager.

Additions to the Board of Directors in the year were Mr. Michael Maloney of Seattle, Washington and Mr. Hugh Mogensen of Victoria, British Columbia. Mr. Graham Scott, Equinox's corporate lawyer and a founding director, retired from the Board but will continue as Company Secretary and lawyer. Mr. Scott's services on the Board since 1985 are acknowledged with appreciation.

Equinox now maintains a full complement of highly qualified exploration and mine operating personnel who will continue to guide the Company's growth through the 1990's. The Company's successful progress in 1990 is a credit to the dedication and effort of the entire Equinox team. This effort will continue in 1991.

FINANCIAL DISCUSSION

Financial results for 1990 were affected mainly by poor operating results at the 24% owned Buckhorn Gold Mine which showed significantly decreased revenues and slightly higher operating costs. Buckhorn operating losses are being funded by Cominco Resources until profitability at the mine is re-attained resulting in no net cash outlays by Equinox.

Results for 1991 are expected to improve significantly due to increased net revenue projections from Buckhorn while leaching continues after cessation of mining and to commencement of commercial production at the Van Stone Mine.

Total expenditures on Equinox properties totalled \$5,270,000 of which Equinox administered \$3,900,000 and funded \$3,750,000. Equinox funds were provided mostly by \$1,504,500 raised from equity issues and \$1,952,000 from

borrowings from Cominco Ltd. (\$506,250) and U.K. investors (\$1,446,000), both in connection with the Van Stone mine purchase and development.

Total project expenditures for the 1991 financial year are expected to be in excess of \$13,000,000 of which Equinox will manage more than \$11,400,000 and fund approximately \$500,000. This will generate management income of over \$1,000,000 which will offset corporate overheads and administrative costs.

The low level of working capital at year end has been bolstered since year end by the infusion of \$300,000 from a private placement of 200,000 shares to Teck Corporation and by \$1,274,000 receivable from a private placement of 910,000 shares to six parties. No further equity placements in 1991 are anticipated to be required unless new acquisitions are made.

FIVE YEAR OPERATIONS SUMMARY for the year ending October 31 (Cdn \$)

	1990	1989	1988	1987	1986
Working Capital	\$ (45,739)	\$ 460,067	\$ 476,564	\$ 2,738,000	\$ 643,910
Resource Properties	\$ 8,852,673	\$ 6,924,821	\$ 5,781,876	\$ 1,162,751	\$ 833,000
Total Assets	\$10,413,757	\$ 9,444,934	\$ 9,710,335	\$ 7,634,938	\$3,800,000
Debt	\$ 1,951,516	—	—	\$ 402,687	\$2,225,000
Shareholders' Equity	\$ 7,443,750	\$ 8,620,779	\$ 7,834,404	\$ 4,780,049	\$1,211,460
Revenue	\$ 2,767,000	\$ 3,715,000	\$ 3,912,000	\$ 5,482,000	\$ 460,000
Operating Cash Flow	\$ 37,546	\$ (72,327)	\$ 1,434,051	\$ 2,230,012	\$ (433,000)
Operating Cash Flow per share	\$ 0.01	\$ (.01)	\$ 0.28	\$ 0.66	\$ (.15)
Net Earnings (loss)	\$ (2,810,534)	\$ (3,474,602)	\$ 70,168	\$ 565,705	\$ (138,000)
Net Earnings (loss) per share	\$ (0.35)	\$ (0.42)	\$ 0.02	\$ 0.16	\$ (0.05)
Share Price Range					
High	\$ 2.00	\$ 2.35	\$ 4.20	\$ 5.50	\$ 2.30
Low	\$ 0.95	\$ 1.25	\$ 1.45	\$ 1.70	\$ 1.00
Share Capital					
Issued Shares	8,791,160	7,771,160	5,273,474	4,246,553	2,833,697
Fully Diluted	10,231,160	8,286,160	5,927,810	5,219,753	3,405,697
Market Capitalization	\$13,186,740	\$11,186,000	\$12,745,000	\$13,751,000	\$5,415,000
Exploration Expenditures					
Equinox	\$ 3,750,000	\$ 2,928,000	\$ 2,900,000	\$ 1,472,000	\$ 460,000
Partners	\$ 1,520,000	\$ 3,008,000	\$ 6,200,000	\$ 4,656,000	\$1,365,000
Total	\$ 5,270,000	\$ 5,936,000	\$ 9,100,000	\$ 6,128,000	\$1,825,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

October 31, 1990

1. Nature of operations

The Company, directly and through joint ventures, is in the active process of exploring its resource properties and, except for the Buckhorn and the Van Stone operations (Note 6), has not determined whether these properties contain ore reserves which are economically recoverable.

The recoverability of amounts shown for resource properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production from the properties or proceeds from disposition.

2. Significant accounting policies

a. Basis of consolidation

These consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and its 51% subsidiary, Bitterroot Resources Ltd. (Note 8.a). The Buckhorn operation joint venture is accounted by proportionate consolidation (Note 6.b). All other joint ventures are accounted for on the equity basis. All inter-company transactions have been eliminated.

b. Resource properties

Acquisition costs of resource properties together with direct exploration and development expenditures thereon are deferred in the accounts. When production is attained, these costs are amortized using the unit of production method based upon estimated proven recoverable reserves. The Buckhorn Mine operation was in production during the years ended October 31, 1990 and 1989 and it is estimated that the Van Stone Mine will be in production in 1991. When deferred expenditures on individual producing properties exceed estimated net realizable value, the properties are written down to the estimated value. Costs relating to properties abandoned are written-off when the decision to abandon is made.

c. Fixed assets

Office and field equipment are recorded at cost and the Company provides for depreciation on a straight-line basis using a 20% annual rate.

d. Inventories

Supplies inventory is stated at the lower of average cost and replacement cost.

Precipitate inventory is stated at the lower of average cost and net realizable value. Costs included in inventory include direct operating expenses, leach pad amortization and building and equipment depreciation.

e. Investment

The Company follows the equity method of accounting for its investments in companies in which it owns less than 50% and over which it is able to exercise significant influence.

3. Marketable securities

Marketable securities are recorded at the lower of cost and net realizable value. As at October 31, 1990, the quoted market value was \$26,500 (1989 — \$15,000).

4. Inventory

	1990	1989
Supplies	\$ —	\$115,131
Precipitate	—	128,700
	\$ —	\$243,831

5. Fixed

	Cost	Accumulated depreciation	Net book value 1990	1989
Office equipment	\$ 50,776	\$ 23,234	\$ 27,542	\$ 34,503
Field equipment	184,211	135,823	48,388	81,778
	\$234,987	\$159,057	\$ 75,930	\$116,281

6. Resource properties

Resource properties consist of:

	1990	1989
Exploration properties	\$5,870,283	\$5,791,164
Buckhorn Mine	—	1,133,667
Van Stone Mine	2,982,390	—
	\$8,852,673	\$6,924,831

a. Exploration properties consist of:

	1990	1989
Zenda	\$2,683,270	\$2,348,960
J & L	1,538,267	1,620,601
Platinum project	575,410	575,410
Maude Lake	500,001	500,001
Yellowknife Lithium	271,978	268,396
Iroquois	152,287	21,385
Other	149,070	223,717
Van Stone	—	80,204
R.M. Nickel	—	152,490
	\$5,870,283	\$5,791,164

i) Zenda

The Company has a 100% interest in certain mineral claims known as Zenda property located in California.

ii) J&L property

The Company has the right to earn a 50% interest in the J&L property located near Revelstoke, B.C., and also a 40% equity interest in the property owner, Pan American Minerals Corp. ("Pan American") by spending \$5,000,000 on the exploration of the property and the payment of certain Pan American corporate expenses over a 5-year period.

During the year ended October 31, 1990, the Company earned a 29.01% interest in the property. The Company then exchanged an 8.28% interest for 1,119,107 shares of Pan American (Note 7), resulting in a 20.73% interest in the property.

On September 28, 1990, the Company and Pan American entered into an agreement with Cheni Gold Mines Inc. ("Cheni") whereby Cheni can earn a 60% interest in the property by funding all property costs, completing a positive feasibility study by November 16, 1993, making a positive production decision, arranging all production financing and commencing mine construction. Cheni will acquire a 50% interest from the Company and a 10% interest from Pan American. Upon Cheni earning its interest, the Company will earn an additional 10% equity interest giving a total of 50% equity interest in Pan American.

iii) Other exploration properties

The Company has various interests ranging from 12% to 100% in certain properties located in Canada and the United States.

As at October 31, 1990, the resource properties balance shown on the consolidated balance sheet includes \$1,835,291 (1989 - \$2,246,898) for which the Company will not be entitled to deductions for income tax purposes.

b. Buckhorn operation

The Buckhorn gold mine is located in Eureka County, Nevada. In October 1986, the Company acquired a 23.56% undivided interest in 33 patented and 417 unpatented lode mining claims and all assets related to the mining operation for \$2,220,880 (U.S.\$1.6 million). The mine is in production, however, management estimates that existing mineral reserves will be depleted in 1991 and processing of the extracted mineral reserves will continue into 1992.

Proportionate consolidation has been used to account for the 23.56% interest in the Buckhorn operation joint venture up to October 1990 at which time the operating losses of the Buckhorn operation recorded by the Company had reduced the Company's net investment to Nil.

A summary of the Company's proportionate share of assets, liabilities, revenue and expenses is as follows:

	1990	1989
Current assets	\$ —	\$ 528,786
Property, plant, equipment and development costs	—	1,133,667
	—	1,662,453
Current liabilities	—	(420,672)
Net assets	\$ —	\$1,241,781
Revenue	\$2,185,830	\$3,278,166
Expenses	3,475,745	3,431,641
Net loss	(\$1,289,915)	(\$ 153,475)

c. Van Stone operation

The Van Stone property is located in Stevens County, Washington. During the year ended October 31, 1990, the Company acquired a 100% interest in the lead-zinc property for \$1,225,455 (U.S.\$1,050,000). Mine start-up is scheduled for February 1991 (Notes 9 and 15.c).

7. Investment

During the year ended October 31, 1990, the Company acquired 1,119,107 shares of Pan American Minerals Corp. (Note 6.a.ii.), representing an equity interest of 20.54%, valued at \$559,554. The investment is accounted for by the equity method.

a. On May 17, 1990, the Company acquired 1,280,987 common shares representing 51% of the issued and outstanding shares of Bitterroot Resources Ltd., a mineral exploration company, for cash of \$65,219 and a resource property valued at \$30,148. The business combination has been accounted for by the purchase method.

Details of the acquisition are as follows:

Assets acquired	
Cash	\$45,431
Resource property	96,713
	142,144
Liabilities assumed	
Accounts payable	(6,618)
Net assets acquired	135,526
Less: Minority interest	(40,159)
Purchase price	\$95,367

8. Acquisition of subsidiaries

Details of the acquisition are as follows:

Assets acquired	
Cash	\$45,431
Resource property	96,713
	142,144
Liabilities assumed	
Accounts payable	(6,618)
Net assets acquired	135,526
Less: Minority interest	(40,159)
Purchase price	\$95,367

b. Effective November 1, 1988, the Company acquired 100% of the issued and outstanding shares of Beaty Geological Ltd., a geological consulting company owned by a director and officer, for 950,000 shares, at deemed value of \$1,022,300, of which 470,000 shares are held in escrow subject to an earnout formula. The business combination was accounted for by the purchase method. Amortization of goodwill for the year ended October 31, 1990 was \$180,000 (1989 - \$180,025). As at October 31, 1990, unamortized goodwill of \$540,100 has been written-off.

Details of the acquisition are as follows:

Assets acquired	
Current	\$757,505
Fixed	122,174
	879,679
Liabilities assumed	
Current	757,504
Net assets acquired	122,175
Goodwill	900,125
Purchase price	\$1,022,300

9. Long-term debt

The long-term debt is comprised of the following:

a. Debenture for \$506,250. The debenture is convertible until February 28, 1991, at the option of the debenture holder or the Company, into 225,000 common shares of the Company. If it is not converted at February 28, 1991, the debenture will be repayable without interest from the proceeds from the production of the Van Stone property. The debenture is secured by the Van Stone property.

b. Loan for \$1,445,266 (U.S.\$1,239,000) which represents advances against a loan of U.S.\$4,000,000 (see Note 15.c). The loan will be repayable without interest from the proceeds from the production of the Van Stone property. The loan is secured by the Van Stone property.

10. Capital stock

a. During the years ended October 31, 1990 and 1989, changes in issued common shares were as follows:

	Number of shares	Amount
Issued as at October 31, 1988	5,273,474	\$7,676,655
Shares issued for acquisition of subsidiary (Note 8.b)	950,000	1,022,300
Shares issued for cash on the exercise of stock options	127,000	209,550
Shares issued for cash pursuant to private placements	1,420,686	3,029,127
Issued as at October 31, 1989	7,771,160	\$11,937,632
Shares issued for cash on the exercise of stock options	20,000	29,000
Shares issued for cash pursuant to private placements (net of commissions of \$59,500)	1,000,000	1,475,500
Issued as at October 31, 1990	8,791,160	\$13,442,132

b. As at October 31, 1990, outstanding directors' and employees' stock options to purchase 565,000 common shares at \$1.45 per share expiring between November 1, 1991 and September 12, 1995.

c. As at October 31, 1990, the outstanding warrants were as follows:

Number of common shares	Exercise price	Expiry date
300,000	\$1.15	July 26, 1991
350,000	\$2.00	August 15, 1991

11. Related party transactions

a. During the year ended October 31, 1990, the Company incurred legal costs of \$62,919 (1989 - \$42,300) with a law firm in which a director of the Company is a partner.

b. As at October 31, 1990, accounts payable include \$19,403 (1989 - \$2,500) due to a law firm in which a director is a partner and \$2,251 (1989 - \$Nil) due to a director and officer.

c. As at October 31, 1990, accounts receivable includes \$14,999 (1989 - \$14,218) due from a director and officer.

12. Canadian Exploration Incentive Program Grant

As at October 31, 1990, accounts receivable includes a grant receivable of \$85,534 (1989 - \$120,000) which has been credited to the respective resource properties.

13. Segmented Information

The Company operates in one industry and two geographic locations. Details of net income and identifiable assets are as follows:

	1990	1989
Revenue for the year		
Canada	\$ 316,027	\$ 374,783
United States	2,291,131	3,340,061
	\$ 2,607,158	\$3,714,844
Net loss for the year		
Canada	(\$1,045,587)	(\$2,840,648)
United States	(1,764,767)	(633,954)
	(\$2,810,354)	(\$3,474,602)
Identifiable assets at end of year		
Canada	\$4,039,221	\$5,241,663
United States	6,374,536	4,203,271
	\$10,413,757	\$9,444,934

14. Commitments

The Company is committed under operating leases to estimated future minimum lease payments as follows:

1991	\$86,200
1992	86,200
1993	89,400
1994	91,100
	\$352,900

15. Subsequent events

Subsequent to October 31, 1990, the Company:

a. issued 200,000 common shares for cash of \$300,000 pursuant to a private placement. In addition, the Company issued warrants, expiring November 16, 1991, to purchase an additional 200,000 common shares at \$1.75;

b. issued 104,000 common shares for cash of \$150,800 pursuant to the exercise of stock options;

c. entered into an agreement whereby certain investors agreed to advance to Equinox Resources (Wash.) Inc. a total of U.S.\$4.0 million under the form of promissory notes. The notes are repayable without interest from 70% of the net proceeds from the production of the Van Stone property after repayment of principal and interest on other debt. In consideration for this financing, the Company transferred 40% of the capital stock of Equinox Resources (Wash.) Inc. to the investors. This financing will be used to finance a U.S.\$6.35 million development program on the property.

AUDITORS' REPORT

To the Shareholders

Equinox Resources Ltd.

We have audited the consolidated balance sheets of Equinox Resources Ltd. as at October 31, 1990 and 1989 and the consolidated statements of loss and deficit and changes in financial position for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 1990 and 1989 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a consistent basis.

Deloitte & Touche

Vancouver, B.C.
January 18, 1991

Deloitte & Touche
Chartered Accountants

Div. Geology and Earth Resources Field Data, October 2002:

Table 1. Surface water field data: ---, no data.

Description	Flow (gpm)	Conductivity (μS/cm)	pH	Bed Color	Temp (°F)	Elev. (ft.)	Longitude	Latitude	Digital Photo
West end of North Pit Lake	0	640	8.7	natural	32	3510			PA230390
South Pit Lake	0	550	8.5	natural	32	3600	48.75727	117.76117	PA 230402
Onion Creek drainage bypassing South Pit	~300	200	8.1	natural	34	3590	---	---	---
east basin upper tailings pond	0	250	5.3	lt. gray tailings, black liner	46	3194	48.76200	117.77536	DSCN3427
east basin lower tailings pond	0	580	9.5	lt gray tailings black liner	32	2730	48.77829	117.79679	DSCN3430
west basin lower tailings pond	0	>1980	8.5	lt gray tailings	33	2730			PA240425

Table 2. Surface water analysis. Metal concentrations are μg/L; Hardness is in mg/L. ≤ indicates metal was not detected; the number following is the practical quantitation limit above which results are accurate for the particular analysis method—the metal could be present in any concentration up to that limit and not be detected. --- no data. ** Standards for these metals are hardness dependent. Conversion formulae are shown in <http://www.ecy.wa.gov/pubs/wac173201a.pdf>. Standards calculated for hardness values specific to Part 1 below, are shown in Table 3. Analyses in bold face type exceed criteria for regulated metals in either ground water or aquatic life, or both as shown below.

PART 1: ANALYSIS BY USEPA METHOD 6010, INDUCTIVELY COUPLED PLASMA

Sample location	Arsenic	Cadmium	Copper	Iron	Lead	Mercury	Zinc	Hardness
West end of North Pit Lake	---	≤5	---	---	≤10	---	100	330
South Pit Lake	---	≤5	---	---	18	---	600	530
Onion Creek drainage bypassing South Pit	---	≤5	---	---	≤10	---	15	90
east basin upper tailings pond	---	---	---	---	---	---	---	---
east basin lower tailings pond	---	≤5	---	---	207	---	271	780
west basin lower tailings pond	---	≤5	---	---	172	---	131	1300

PART 2: APPLICABLE WASHINGTON STATE WATER QUALITY STANDARDS

Type of standards (applicable Washington Administrative Code)	Arsenic	Cadmium	Copper	Iron	Lead	Mercury	Zinc	Hardness
Surface water standards (WAC 173-201A, Standard for aquatic life in surface freshwater, chronic level maximums at 100 mg/L hardness)	190	**	**	none	**	0.012	**	100
Ground water standards (WAC 246-290, Washington State Department of Health, standards for ground water, domestic consumption)	50.0	none	1300	300 (cosmetic only)	15	2.0	5000	---

Table 3. Water quality standards for hardness dependent metals. WAC 173-201A Chronic standard (ug/l)

Sample Location	Hardness (mg/l)	Cd (ug/l)	Pb (ug/l)	Zn (ug/l)
North Pit	330	2.5	9.0	286
South Pit	530	3.5	14.6	429
Onion Creek bypass	90	---	---	95
east basin lower tailings	780	4.7	21.3	595
west basin lower tailings	1300	6.8	35	918

Materials: Table 4.

Number	Unit	Description	Content	Location	Photo
1	55gal	Nalco 9810	full	mill bldg	
1	55gal	Nalfloat	few gal.	mill bldg	
2	55gal	H2SO4	full	mill bldg	
25	55gal	Aerofloat 211	full	mill bldg	3325
11	55gal	NaIsopropyl Xanthate	full	mill bldg	
3	55gal	Nalco 9743	full	mill bldg	
1	55gal	Nalco 9714	full	mill bldg	
1	55gal	unknown	full	mill bldg	
1	55gal	Dow Chlorothene NU	¼ full	mill bldg	3322
1	55gal	#5525 Solvent Degreaser	full	mill bldg	
4	55gal	Misc. Oils and greases	full	mill bldg	
7	55gal	Ditto	empty	mill bldg	
6	55gal	SIPX pellets, Na Isopr. Xanthate	full	mill bldg	3328
10	50lb.	copper sulfate	full	mill bldg	
2	~2500gal	copper sulfate	empty	mill bldg	230409
1	~1500gal	copper sulfate	partly full	mill bldg	
2	2000lb. bags	sodium carbonate	full	mill bldg	3398
2	3000gal tanks	Unknown. Not diesel, not gasoline. Smells like solvent.	full	SE corner of mill outside	3329
6	55 gal	Unknown	2 full	Shed, dock East of mill	
9	55 gal	Unknown	mostly empty	Shed, dock East of mill	
5	tanks	diesel, marked 1203 in diamond label		Near repair shop east of mill	3340
1	10,000 (?) gal	propane tank	pressure gage shows empty	south of mill	3315
1	25lb.	ammonium acetate	full	building 19	
1	50lb.	copper sulfate	full	ditto	
7	55gal	aerofloat promoter	full ?	core shack	

9	gal	HCl concentrated	full	scale building	230412
5	gal	H2SO4	full	scale building	
5	gal	CH3COOH glacial acetic acid	full	scale building	
several 1000s	feet	8" Cement Asbestos Pipe lengths**		stockpiles SW and NE of mill	220371 & 3362

**Note: The C-A pipe was stockpiled at the site when ER bought the property in 1990. ASR probably purchased it to replace the wood-stave tailings disposal pipe then in use. The black flexible ABS pipe was used by ER. The steel pipe with Victaulic couplings was originally used to pump water from the retention pond south of the lower tailings impoundment back to the mill by ER. This became unnecessary and the idea was abandoned. (Randy Miller, personal communication 2003)

Analysis of tailings and dumps:

Table 5. Soil Analysis. Metal concentrations are mg/kg; ≤, indicates metal was not detected; the number following is the practical quantitation limit above which results are accurate for the particular analysis method—the metal could be present in any concentration up to that limit and not be detected. ---, no data. Numbers in parentheses indicate the factor by which the analysis exceeds standards shown in Table 6.

Sample Location	Arsenic	Cadmium	Copper	Iron	Lead	Mercury	Zinc	Digital Photo
soil sample 25 feet south of red door at mill, green copper oxide	---	---	18,400 (1840X)	---	---	---	---	PA220368 DSCN 3330
lower tailings grab sample	---	10.8	---	---	1170 (5X)	---	2790 (10X)	
upper tailings grab sample	---	16.4	---	---	485 (2X)	---	5070 (19X)	
concentrate spillage at west Pb-Zn bins grab.	---	346 (14X)	---	---	124,000 (563X)	---	38,200 (141X)	220367

Table 6. WAC 173-340-900, Model Toxics Control Act. Priority Contaminants of Ecological Concern for Sites that Qualify for the Simplified Terrestrial Ecological Evaluation Procedure. Table 749-2 partial data. Concentrations are mg/kg. Levels shown for unrestricted land use. Levels for silver, gold and iron are not specified.

Metals	Arsenic III	Cadmium	Copper	Lead	Mercury	Zinc
mg/Kg	20	25	100	220	9	270

EQUINOX RESOURCES (WASH) INC.
VAN STONE MINE

Appendix B, Table 1
Soil Chemistry Analysis

Sample ID	Lab # SJN94-22	pH	P ug/g	K ug/g	O.M. %	NO3-N ug/g	NH4-M ug/g	SO4-S ug/g	B ug/g	E.O. uS/cm	PARTICLE SIZE DISTRI.			TEXTURE USDA1950						
											%Sand	%Clay	%Silt							
Van Stone Fresh Tailings	1986	7.0	4.2	21	0.64	0.7	0.5	1010	0.15	3.76	66.0	1.0	28.0	Sandy Loam						
Van Stone Old Tailings	1987	8.0	5.7	11	0.41	0.5	0.8	107	0.12	0.14	33.0	2.0	15.0	Loamy Sand						
Van Stone Native	1988	8.0	7.5	840	4.05	51.4	2.4	36	0.20	1.20	44.0	18.0	10.0	Loam						
Sample ID	Lab # SJN94-22	Ca ug/g	Mg ug/g	K ug/g	Na ug/g	Zn ug/g	Mn ug/g	Cu ug/g	Fe ug/g	P ug/g	B ug/g	Pb ug/g	Al ug/g	Cr ug/g	Cd ug/g	Ba ug/g	Ni ug/g	Co ug/g	Be ug/g	Mo ug/g
Van Stone Fresh Tailings	1986	114000	23300	400	229	9300	114	40.1	6670	180	9450	13800	370	21.3	41	1.2	10.5	5.21	0.25	10.7
Van Stone Old Tailings	1987	80900	20200	440	312	5300	87.8	32.2	7290	306	4470	440	1100	13.0	18.2	11.5	10.7	5.01	0.25	6.05
Van Stone Native	1988	8750	5340	4290	704	100	416	23.6	20040	1120	350	822	20400	21.1	3.46	273	28.3	12.6	0.04	12.7

L:\HALLAM\H3172\VANSTONE\SOILCHEM.XLS

From: HALLAM, KNIGHT & PIESOLD.
EQUINOX RECL. PLAN BASE DATA

NOTE: UNITS ARE $\mu\text{g/g}$, NOT mg/kg

Mine Photos:

DSCN 3388 Overview of North Pit from east highwall. View West.

3396 West end of North Pit. View NW

PA230396 North Pit lake.

230402 South Pit lake.

Mill Photos:

DSCN 3315 Propane storage tank.

3322 Dow solvent.

3325 Aerofloat 211 promoter.

3328 SIPX frother pellets (Isopropyl etc.)

3329 Concentrate rake and bin (Pb?)

3330 Concentrate rake and bin (Zn?).

3339 Solvent (?) tanks SE side of mill.

3340 Gas and diesel tanks, near shop bldg.

3362 Cement Asbestos pipe storage.

3398 Sodium Carbonate sacks.

3406 Tailings Thickener 90' diameter west of mill.

PA220367 Pb-Zn Concentrate spillage, west end.

220368 CuSO₄ spill in soils south side of mill.

220369 Mill bldg. view north.

220370 Gage on propane tank.

220371 Cement-asbestos pipe SW of mill bldg. - pipe onsite when Equinox purchased

230405 Ball mill and rake classifier in mill.

230409 Copper sulfate (liquid) storage tanks.

230401 Various acid containers in scale house across from assay lab.

Tailings and Waste Rock Dumps:

DSCN 3414 Typical waste rock dump, 125 feet vertical to forest floor. View south.

3424 Upper tailings pond, west basin.

3429 East basin, lower tailings pond.

3445 water- reclamation pond SE corner at lower tailings pond.

PA240425 West basin, lower tailings pond.



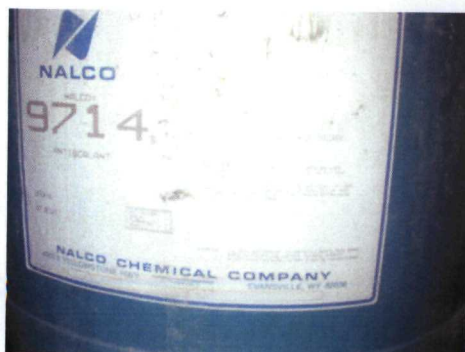
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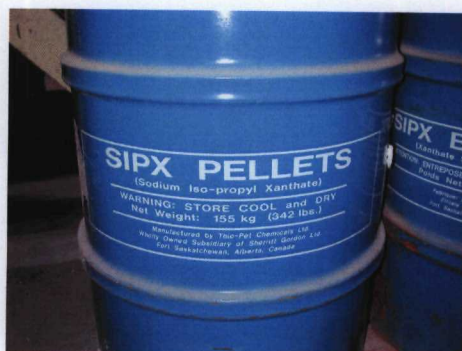
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DSCN3327.JPG



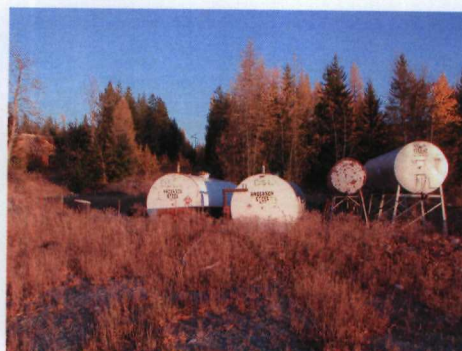
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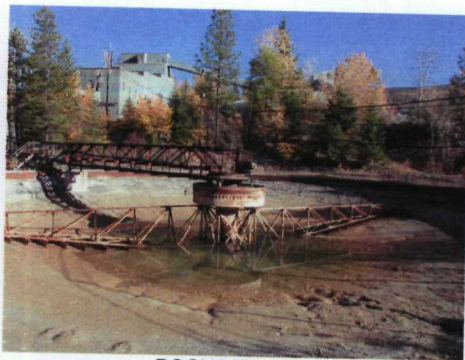
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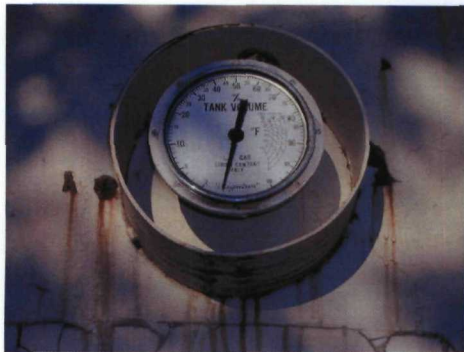
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PA230402.JPG
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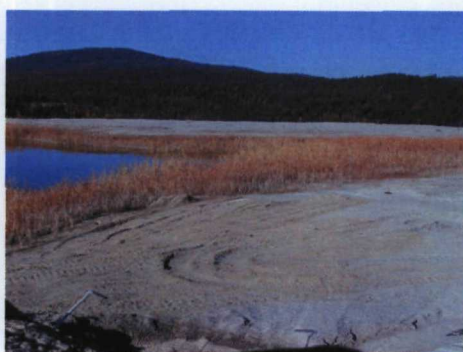
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